

news from behind the IRON CURTAIN

December 1954

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- Polish Christmas
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News from behind the IRON CURTAIN

December 1954 — Vol. 3 — No. 12

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ABOUT THIS PUBLICATION . . .

NEWS FROM BEHIND THE IRON CURTAIN, published monthly by the Free Europe Press of the Free Europe Committee, is circulated to those with a specific interest in events and developments in Communist-dominated Europe. This bulletin is made available to representatives of the press and other media, to universities, churches, libraries, and research centers, and to other groups of citizens who want to know more about "Communism in practice." The magazine is not an organ of editorial policy; wherever possible direct quotation is used to provide source material and to document commentary. The Committee believes that accurate information contributes to an understanding of the strengths and weaknesses of the Communist system, and hence to the ability of the free nations to combat this system.

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The Month in Review

THROUGHOUT the Soviet orbit there are now clear indications that the regimes have been compelled by events to attempt **decentralization** in many fields of national life. New Course measures have not borne fruit, mainly because the captive peoples are unwilling to cooperate with the regimes. Workers and peasants have instead exploited concessions for their own benefit. Plans have therefore gone awry, and the Communists are now making desperate efforts to enlist the active collaboration of the people by granting them a greater degree of self-expression. Characteristic of this campaign is the rash of regime-sponsored elections now taking place throughout the area, the greater autonomy given local councils, the greater stress on responsibility in local economic units, and the formation of mass organizations seeking popular support.

The first **Congress of the Hungarian People's Front** was held this month, and all indications point to a continuation of the New Course policy of **seeking broad public support** from and cooperation with the non-Party masses. The support of the intelligentsia is being particularly courted, and almost two-thirds of the members of the PPF National Council elected by the Congress are intellectuals. Also elected to the Council were two former government Ministers who had been arrested in 1951 for "rightist deviation." Their release and election to the PPF Council indicates that the regime is counterbalancing the "left sectarianism" within the Party—elements opposed to the broadening movement represented by the PPF—by rehabilitating "rightist" factions.

Election campaigns proceeded in **Czechoslovakia, Poland and Hungary**. Registration of candidates for the Czechoslovak National Assembly has been completed; there will be only one candidate in each of the 368 election districts. In Hungary, the November 28 elections for township, county and town councils will also be single-slate, but of the 100,309 official candidates nominated, fifteen percent were rejected by the people and replacements chosen.

The campaign in **Poland**, where single-slate elections to the national councils will be held, is marked by **apparent peasant attempts to nominate** for the new rural commune councils **men not wholly subservient to the regime**. These attempts are excoriated by the regime as "class warfare" and "kulak machinations." They are made easier for the peasants by the reluctance of certain Party activists to take the elections seriously and carry out campaign agitation with the intensity required by the regime.

In **Czechoslovakia**, the Central Council of Trade Unions convened, and ordered union Factory Committee elections, previously postponed from the spring of this year, to be held from November 15 to January 31. Although these elections, in which 800,000 workers will be selected for the basic union organizations, present certain risks to the regime, it apparently feels that the experience gained in the national committee elections earlier this year and in the present National Assembly campaign will enable it to maintain adequate control. The Trade Union Council also ordered the individual unions to hold their congresses by next spring and the General Congress of Trade Unions to meet in May 1955.

In **Hungary**, the **reshuffling of top-level ministerial personnel** continued, in an attempt to facilitate through managerial changes the solution of economic problems brought on by the New Course. There are now four Deputy Premiers, members of the Council of Min-



isters, without portfolio. These will presumably function as over-all coordinators and policy makers. **Urban unemployment in Hungary** as the result of rationalization in heavy industry and the bureaucratic apparatus **continues**, and the Central Council of Trade Unions has moved to alleviate the plight of its unemployed members by providing single **emergency unemployment payments**.

There have been two **show trials** in Czechoslovakia, both of them **attempting to link opposition to the regime** or failure to carry out regime policies to "foreign espionage." In one of the trials former Social Democratic politicians, civil servants and intellectuals were convicted of "high treason and espionage," and of having worked to bring Czechoslovakia into a "European Union under American command." In the second trial, a "seven member antistate group" was convicted of armed terrorism, murder, distribution of subversive leaflets, and attempting to prevent the formation of a kolkhoz. These activities were allegedly conducted "in cooperation with a foreign espionage service." **Three of the defendants received death sentences.** In addition to these trials, the **campaign against "kulaks,"** peasants who have failed to fulfill delivery quotas or have been noted for opposition to collectivization, has continued with a number of trials throughout the country.

In Poland the ZMP, the **Communist Youth organization**, has **postponed its Congress**, scheduled for November 19, until next January. Among the reasons for the postponement is doubtless regime concern over the failure of the organization to mobilize the youth of the country, particularly in non-collectivized rural areas where activists are needed for the intensive collectivization campaign envisaged by the Party Congress earlier this year. This concern was reflected in a recent **change in ZMP leadership**, when Stanislaw Pilawka was dismissed from his position as chairman of the ZMP Executive Committee, along with two Committee Secretaries.

Another **postponement** was announced in **Romania**, where the **Second Party Congress**, now three years overdue and already postponed once this year, has been put off to an indefinite future. The continued postponement of the Congress has apparently been made necessary by the **severe economic difficulties** within the country, including the poor harvest this year.

In Hungary, **greater autonomy** has been given to **local councils**, and they have been granted an increase in funds of 150 million *forints* over the amount scheduled by the Plan. The entire bakery industry, all pharmacies, and many stores, theatres, mills and libraries, among other facilities, are now under the direction of the local councils.

Following similar developments in Romania and Bulgaria (as well as China and East Germany), the four **Soviet-Hungarian joint companies** have been **dissolved**. As with the previous dissolutions, these indicate that a greater degree of economic "localism" will now be permitted, although unspecified long term payments for the Soviet share in the companies will afford the USSR a means of long-range economic control.

In Bulgaria, the press has urged the widespread adoption of a marked variation from normal Communist practice, **Party meetings open to non-Party members**. A change in Party rules making such open meetings possible was passed by the Party Congress early this year, but not until now has there been any apparent pressure for the implementation of the change. Open Party meetings where general political and economic questions are discussed are unknown elsewhere in the Satellite area, and indicate the strength of the regime's desire to increase its ties with and support from the masses.

The Polish regime has reacted with **violent denunciation** to the recent American announcement of the defection of **Josef Swiatlo**, former Deputy Chief of the Ministry of Public Security department concerned with Party security. Swiatlo was accused of having been an agent of American intelligence who wormed his way into the Polish bureaucratic apparatus. Following Swiatlo's revelation that he had, under orders, arrested the missing American Hermann Field, the regime released Field, claiming that the arrest had been engineered by Swiatlo in his capacity of agent-provocateur. Subsequently, Noel and Herta Field were released by the Hungarian regime, which announced that investigation had proved there had been no substance to the accusation that they were "Titoist plotters."

Hungarian Balance Sheet

AT A PARTY Central Committee meeting on October 1-3, Hungarian Communist leaders took stock of gains and failures in the first fifteen months of the New Course. Improvements were announced in consumer goods production, agriculture and the living standard, but even more striking were the admissions that serious difficulties were endangering the new program. Signs of these troubles were first apparent shortly after the New Course was launched in July 1953 and, in the months following Premier Nagy's speech, the Party waged an intense campaign to overcome them. The recent stock-taking revealed that despite continual warnings and admonitions, troubles had multiplied: achievements not only were far short of planned goals and less than investments warranted, but were threatened by persistent shortcomings in all sectors.

Nine days after the Central Committee meeting Istvan Kovacs summed up the nation's chief economic problems in an October 12 speech to a Budapest activists' rally.* The Politburo member openly admitted that the economic mistakes committed prior to the new program were graver than the regime had thought a year ago and that "it was not easy to switch the national economy, conducted for years in the wrong direction, into a new, correct path." The Central Committee found, he said, "that our transitory economic difficulties are directly due to failure to carry out the regrouping of investments and industry; stagnation of industrial production; the slow pace of consumer and agricultural production; . . . unsatisfactory agricultural development; large-scale waste; decline of productivity; and rising production costs." Kovacs confessed that these shortcomings had been

accompanied and aggravated by mounting Party problems, and his balance sheet of the first fifteen months of the New Course pointed chiefly to chaos and stagnation on the production front, disunity and ineptitude on the political front, and indifference and opposition on the popular front. Above all, the statements issued by Kovacs and other Central Committee members indicated continued weakening Party control over the nation.

The Party and the Political Front

The deteriorating situation within the Party was scored by various top leaders, who declared that opposition to the new program, evident almost immediately after Premier Nagy's July 1953 address, had not abated, and was now stronger than ever. Despite regime efforts, the confusion prevailing within lower, middle and upper Party echelons had reached such serious proportions by May 1954, that at the Third Party Congress First Party Secretary Rakosi was forced to denounce openly "right-wing and left-wing deviation." He claimed that some leaders had been too liberal in implementing the new program, interpreting it as a signal for laxer discipline, while others, going to the opposite extreme, had rigidly adhered to the old line and showed hostility towards the policy of conciliating the peasantry. For several months after the Congress almost no mention was made of internal Party dissension, but at the October Central Committee meeting the problem was discussed once again, and admitted to be one of the chief causes for economic failure.*

* Radio Budapest, October 12.

* See September 1954 issue, pp. 4-8.

Resistance within the Party seems to have developed in terms of "left-wing deviationism"—that is, persistent and growing refusal to accept the new program. This attitude, which probably is as much of a reaction to as a cause of economic shortcomings, has been manifested by reluctance to regroup investments in favor of light industrial production. Further, mounting economic chaos has bolstered the left-wing charge that the regime was over-hasty in granting concessions to workers and peasants, and ought to retract them. Economic difficulties also have given rise to numerous accusations that the New Course is a pro-peasant policy and directly opposed to the interests of the workers. And finally, the left-wing opposition has insisted that the New Course emphasis on consumer goods production is bound to be unsuccessful, and that the only correct road for Communists is the pre-June road of heavy industrialization.

In view of growing left-wing resistance in upper Party ranks, the Central Committee members consistently affirmed the "correctness" of the new policy, and warned that those officials who failed to implement it would be called to account. Mihaly Farkas, quoted by *Szabad Nep* (Budapest), October 11, was especially stern on this point: "Those who fail to do what is expected of them in the higher leadership will be replaced. . . . Those who are unsuitable . . . and those who do not actively further the cause of the people must realize that it is necessary for them to vacate their posts in favor of those who are more capable." Premier Nagy declared that the Central Committee meeting had been a "significant affirmation" of the June road, and revealed that its aim was to strengthen confidence in the Party leadership and to put an end to wavering in Party ranks.* Issuing an indirect threat to left-deviationists, Nagy insisted that the New Course was a correct Marxist policy in that it furthered one of the Party's basic theories—the worker-peasant alliance—in contrast to the pre-June policy, which "ran counter to it." Nagy stated further that anyone who opposed the new farm policy was, in effect, pursuing an anti-worker policy and denying the essence of "socialism." The Premier, and other top leaders, reiterated that the workers' well-being was closely linked with that of the peasantry, and announced that economic failures were due not to New Course plans, but to inadequate implementation of these plans.

The latter point was stressed by Istvan Kovacs, who severely rebuked the "lack of energy manifested in the regrouping of investments," and discussed the practical consequences of the "mistaken views" now cherished by economic leaders who had failed to comply with New Course injunctions:

"Economic leaders who [through failure to carry out the regrouping] are responsible for the production lag and the shortage of goods, now want to re-establish the equilibrium between supplies and purchasing power by reducing quantities, curtailing the purchasing power of the workers—and even more of the peasants—and by issuing various restrictive measures and a lowering of the living standards.

"This involves a fundamental political and practical problem. To have embarked on such a road would have

meant a step backwards. . . . It would have called forth grave economic and even graver political consequences. Our moves rightly would have been greeted with distrust by workers and peasants, who would have said that the Party preached water and drank wine.

"The Central Committee noted that the raising of the living standards and the concessions to the peasantry were not overly-hasty moves. They were the first steps towards making good the gross mistakes of previous years, towards strengthening confidence in the Party and the worker-peasant alliance. The way out of our difficulties leads not through reduction of purchasing power, but through speeding up the [regrouping], faster agricultural development, growing industrial goods and supplies, higher productivity and lower production costs."

The regime's farm policy was vigorously defended by Kovacs, Nagy and other speakers, who pointed out that only by inducing peasants to produce more—that is, by appealing to their material interests—could the workers' living standard be raised. Nagy pointed out that "he who opposes the raising of the living standard of the rural population is also opposed to the development of agricultural production, since the two things go together. . . . If the peasantry does not increase production, the living standard of the working class cannot be raised: without this there can be no socialism. . . . Our central problem now is the increase of agricultural production, and in economic policy the full assertion of the principle of the producer's material interest." *Szabad Nep* (Budapest), October 11, put the matter more bluntly, when it stated that "according to the Marxist viewpoint, constructive work must be based on the individual material interests of the workers. This applies doubly to peasants, in whom the sense of property is very strong." And pointing out that the New Course was not a policy discriminating against workers, *Szabad Nep* exclaimed: "Before June, we were not able to insure the necessary food supplies to town workers. . . . What sort of socialism is that which does not provide enough meat, fats, bacon, milk and fruit for the workers, that does not insure an ever-growing quantity of food supplies?"

The Party leadership also struck out at criticisms of its industrial program. On October 11, *Szabad Nep* provided revealing insight into industrial failures when it denounced the attitude which demanded a return to heavy industrialization as the only means by which "socialism" could be successful:

"[Prior to the New Course] heavy industry was capable of constructing the huge blast furnace in Diosgyor in eight months. And now the same management has not been able to organize in plants already equipped successful large-scale production of consumer goods . . . not in eight months, not even in fifteen months. What is this if not shrinking from New Course tasks? . . . We must put an end to industrial stagnation. . . . Next year's plan will call for speedier increase of industrial production. There are some who already doubt the possibility of [doing] this. So it would be well to remember that the same people, just a few years ago, thought it absolutely possible that production should increase 20 or even 25 percent from one year to

* Radio Budapest, October 20.

another. . . . Those who see the prospects of our industry so pessimistically believe in effect that Hungarian industry can forge ahead on the course of heavy industrial investments or not at all."

Aside from the New Course economic program, another source of Party dissension has been the regime's political program, which consists of an attempt to broaden the base of public support and to satisfy to some degree the people's desire for decentralization of power. This policy has been manifested in the creation of a popular mass movement called the Patriotic People's Front, and in new laws extending the authority and independence of the People's Councils (local government organs). The Patriotic People's Front replaces the moribund Independent People's Front, but as distinct from the old organization, it is to have a wider membership policy and not only will sponsor elections but also take a leading role in implementing the new economic program. According to the June issue of *Tarsadalmi Szemle*, the "People's Front will considerably increase the extent to which people, all workers from every social stratum, will participate in the management and advancement of our country's political, economic and cultural life." Aware of the dangers of broadening the popular base, *Tarsadalmi Szemle* added: "This change means that the Communists must take a firmer and more united stand, which in turn means stricter discipline and firmer unity of action".*

Despite the emphasis on Communist leadership, the policy of granting the people more say in the government did not meet with the approval of "left-wing" Communists. In recent weeks the Party press has denounced signs of "narrow-mindedness and sectarianism" evident in preparations for the October Front Congress—that is, attempts to limit the Front's authority and to install a majority of Communists on Front committees. The left-wing opposition was attacked by Mihaly Farkas, who declared that those Party functionaries who assumed that the People's Front had been established solely for the purpose of supervising elections were absolutely mistaken.** "The Patriotic People's Front," he said, "has not been recreated for the single purpose of conducting elections, but to assist permanently and consistently in the successful development of our new way of life." On October 10, *Szabad Nep* reproved the opposition by scoring the failure of Front Committees to include the "widest possible strata of society":

"In many places no attention is paid to the fact . . . that as many non-Party members as possible be included. . . . On the contrary, in many places . . . attempts have been made to secure a Communist majority. . . . Working peasantry, intelligentsia and artisans are not sufficiently represented. . . . Some Party officials . . . have become unused to working among the masses and are worrying about the possibility of a majority of PPF committee members being non-Party members. These people, who in recent years have become used to working according to a syllabus, to having no one contradict them, and also to giving orders, miss the point of the real Communist idea of free debate.

* See Current Developments, p. 49; October 1954 issue, pp. 45-46; November 1954, p. 51.

** *Szabad Nep* (Budapest), October 11.



Title: It Happens in Many Factories.

Summer: Let's get some fresh air.

Winter: I can't understand why they don't fix the windows.

Esti Budapest (Budapest), September 11

. . . It must be understood by all Party officials that every decent worker has a place in the PPF."

The above criticisms indicate that many Party functionaries fear losing their power and are aware of the dangers of giving even partial control to non-Communists. Although the regime intends the Party to retain full command, left-wing functionaries insist that it will be impossible to do so once the people manage to secure a certain amount of power. The left-wingers maintain that the people not only will continue to demand more power, but also will oppose the Party's ascendancy and the Communist regime itself. The top leadership has acknowledged the reality of this threat, but at the same time it has pursued its present policy firmly convinced that while it runs a risk by partially opening the door to freedom, it will incur total defeat of its New Course program if it refuses to open the door at all.

The necessity of mass participation in the New Course program has been pointed out continually by top Communists and is the focus of current political propaganda. Istvan Kovacs complained bitterly that the weakest aspect of Party work is neglect of the masses: instead of popularizing the new policy, he said, Party officials have underestimated the value of mass "creativity," adhered to their old dictatorial methods, and have become lost in overadministration and red tape. This complaint testifies to the failure of the New Course to bring about an improvement in Party work or to strengthen Party ties with the masses. Further, the decline in political agitation also has been accompanied by a decline in vigilance, which has resulted in widespread "enemy" activity. In his speech to the activists' rally, Kovacs deplored the fact that the "enemy"—i.e., the "clerical reaction," the Social Democrats, etc.—is hardly mentioned any more: "We must fully realize," he said, that we shall be able to raise the living standard only if

we defeat and beat back the enemy on the production front."

The above statements by Hungarian Communists show that the New Course has resulted in a weakening rather than a strengthening of Party activity. The top leadership is faced not only with the reluctance of the left-wing opposition, but also with the laxity and "liberalism" of right-wing deviationists, and it appears that a sterner line than the one originally adopted in the New Course will now be attempted. Premier Nagy summed up Party difficulties when he insisted that the entire Party membership speak the same language and realize that their role does not consist merely in carrying out tasks prescribed by the management, but also in taking an important part in the development of Party policy. Mihaly Farkas and Istvan Kovacs indicated that failures to "speak the same language" and to understand this role will result in cadre regroupings and dismissals. In recent weeks a top-level ministerial reorganization has taken place; so far, however, there is no sign of a large-scale Party purge.*

Industry

Although the New Course has resulted in gains in consumer goods production, the Central Committee revealed that improvements were less than investments warranted, unevenly distributed, and in some sectors below requirements. Further, failures in heavy industry were especially notable, and recent production strides were admitted to be somewhat offset by a general stagnation in industry. Rising production costs, waste, low productivity, poor labor discipline, manpower shortages, vandalism, profiteering, bureaucracy and ineffectual management were the chief ills threatening New Course planning, and the Party leadership reiterated that any further lowering of prices and improvements in the living standard would depend upon "producing more, better and more cheaply."

Former Chairman of the Planning Bureau Bela Szalai gave some idea of the positive side of the picture when he announced to the Central Committee that in the first eight months of 1954 consumer goods production had been 12.4 percent higher than in the same period of 1953.** Plants under the Smelting and Machine Industry Ministry, where the largest regrouping is scheduled, produced 27 percent more consumer goods and raised production of large farm machinery by 22.2 percent, and small farm machinery, spare parts and tools by 32.4 percent. In the same period, local industrial enterprises increased production by 57 per-

* See Current Developments for ministerial changes; see November 1954, p. 50.

As quoted by Radio Budapest, October 20, Nagy also gave a clue to Party changes by announcing an amnesty for imprisoned Communists. This amnesty not only demonstrates the regime's New Course tolerance and attempts to "rectify past mistakes," but also reveals the hope that the Communists now released will show their gratitude towards the government by working energetically for implementation of the New Course program.

** Radio Budapest, October 12. Szalai also pointed out the slow pace of agricultural development and consumer goods production. See November 1954 issue, p. 50. Szalai has now been made Minister of Light Industry. See Current Developments.

cent and artisan cooperatives by 32 percent. There also was an increase in repairs and services: "The value of production, repair work and services by local industry, including the handicraft industry in private hands, presumably will exceed in the second half of 1954 figures of the same period a year ago by 1.1 billion *forints*."

The negative side of the picture was summed up by Istvan Kovacs in his October 12 speech to the Budapest activists' rally. Kovacs claimed that in the first eight months of the year Budapest heavy industries had fallen short of the production target by 1.6 percent and light industries by one percent—representing a loss of 325 million *forints* worth of goods to the people. The coal mining industry fell short of the planned target by 400,000 tons, and production of farm machinery, especially tractors, was unsatisfactory:*

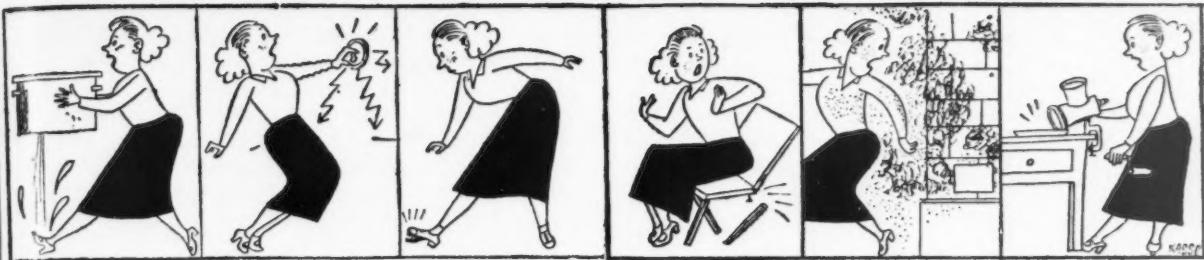
"Communist leaders in the Budapest Ministry of the Foundry and Machine Industries are largely responsible for the fact that 51 percent of the contemplated tractors, 44 percent of the tractor-driven plows, 48 percent of the grass mowers, 62 percent of the haystackers and a great number of other small agricultural machines . . . and large tractor spare parts remained undelivered to agriculture. One of the main reasons for our economic difficulties is that our industries have not met the requirements of the new phase. This is true not only because they effect [deliveries] with great delays, but also because there is stagnation in production and output has not risen satisfactorily."

Kovacs also scored defective production, low productivity and failure to carry out the regrouping of investments. He said that although Budapest industries had produced a greater quantity of essential consumer goods than in 1953, the quality of production, with few exceptions, had deteriorated, and the amount of rejects in Budapest alone had cost the regime more than 100 million *forints*. With regard to productivity, Kovacs said that in the first eight months of 1954 the per capita output of industry was 3.3 per cent lower than that of the corresponding period of 1953. "If," he said, "productivity had risen by no more than one percent, the total output of industries falling under the competence of the ministries, would have increased by nearly 500 million *forints*. This sum would have been enough to build 90 dispensaries and some 220 maternity homes."

High production costs also have taken a heavy toll on the economy: instead of falling, they rose by 2.8 percent in the first half of the year, thus causing a loss of 438 million *forints*. Other harm done to industry has been due to the failure to regroup investments according to New Course prescriptions: "Even though after great delays investments have been cut by 40 percent, their distribution and the regrouping of industry, aside from some very small initial progress, continues to proceed along the lines of the wrong pre-June policy, and to all intents and purposes, in the old proportions. . . . Heavy industry continues to get preference."

Kovacs underscored the significance of the above short-

* Szalai stated that in the first eight months of 1954, 1,082 tractors had been produced. The 1954 target is 5,000.



Title: We can't reduce production costs this way.

1. The pot won't be so expensive if we make it from thin metal.
2. Erzatz material is good enough for light switches.
3. By using fewer nails, we can save time and material.

4. It's OK if we dry the wood for only a short time.
5. It's a waste of time to try to separate coal from slag.
6. It can just as well be put together by an unskilled worker.

Ludas Matyi (Budapest), July 22, 1954

comings when he pointed out that while the total of wages in 1954 has risen by 13.3 percent, output has increased by no more than one percent—a situation which has created a striking disproportion between supplies and buying power:*

"The living standard has increased considerably and consumption has gone up, but increases in output and productivity, and decreases in production costs have not kept pace with this trend. In other words, our industry and agriculture have failed to keep pace with the growing purchasing power of the population, as a result of which there is a disparity between the stocks of materials available on the one hand, and the purchasing power and needs of the masses on the other. To produce less, to earn and consume much more—these factors are bound to produce contradictions and disparities in our people's economy which no socialist and democratic country is in a position to put up with for any length of time."

Plan Results

Many of the difficulties noted above were reflected in 1954 Plan Results issued by the Central Statistical Office.** The report on half-year results, published in July, stated that the following items had been produced in excess of the plan: crude oil, foundry aluminum, rough metal sheets, phosphorous, fertilizer, planing machines, harrows, animal-drawn sowing machines, radio sets, penicillin, cotton and wool fabrics, knitted articles, women's and children's shoes, men's suits, cigarettes and pastry. On the other hand, production of coal, steel, pig iron, Martin steel, aluminum, steam engines, combines, buses, baked bricks, underwear, children's coats, overalls, cotton stockings, margarine, bacon, sausages and cheese had fallen below plan targets. The lag in heavy industrial production was especially significant in view of 1954 plan targets. As the following chart shows, some of the backlog noted in mid-year increased sharply by October:

* At the beginning of his speech Kovacs stated that the income of workers and employees was 15.8 percent higher than in the first half of 1953, and the price of consumer goods 8.3 percent lower. The difference between 13.3 percent and 15.8 percent is probably estimated as reductions in Peace Loan subscriptions.

** *Szabad Nep* (Budapest), July 21.

	1954	Tons Short of the Target*	
	Target	August	October
Coal (mil. tons)	22.65	300,000	400,000
Electro Steel (thous. tons)	1,678	15,000	10,000
Martin Steel (thous. tons)		43,000	52,000
Rolled Steel (thous. tons)	891.	4,500	22,000
Pig Iron (thous. tons)	861.4	34,000	11,000

The serious coal and power shortage remains one of the regime's chief problems. On August 1, Erno Gero pointed out that last year early winter lags in coal mining had caused a significant slowdown in light industrial production. Gero claimed that temporary arrears in the production of cotton yarn had amounted to a quantity which would have been sufficient to produce almost four million square meters of material. Similarly, woolen materials not produced because of power cuts would have been sufficient to make 60,000 men's suits. "Our mines," Gero said, "must produce 22,650,000 metric tons of coal this year. By comparison, the total of 300,000 tons in arrears does not seem large, representing only 1.3 percent of the yearly plan. But the truth is that our industry, communications, machines, factories, and the population need all the coal asked for in the plan—the full 22,650,000 tons. We must not permit our coal mining to fall short of this figure by 0.1 percent. And we also must insist that the quality of coal be equal to plan requirements."

Plan results on the second and third quarters gave further information on industrial achievements. The report on the second quarter announced that light industrial production had shown an eight percent increase over the corresponding period in 1953, and the food industry a seventeen percent increase.** In October, however, both Bela Szalai and Deputy Minister of Food Zoltan Babos pointed out that while food supplies had increased and there was enough bread, flour and sugar to meet consumer demands, meat and meat products did not come up to requirements

* The figures for August were released by Erno Gero, *Szabad Nep*, August 1. The October figures were given by Janos Csergo, Minister of the Smelting and Machine Industry, who stated that the value of the lag in industry during the first nine months of the year is approximately 450-460 million forints. (*Nepszava*, October 24.)

** *Szabad Nep*, July 21. Heavy industry decreased by 0.6 percent.

and cheese and butter still were scarce.* The second quarter report scored shortcomings in the wine industry, and stated that while the potato crop had improved, the needs for rice could not yet be met and a poorer fruit crop than that of 1953 was likely because of severe frost damage. The report laid particular emphasis on low pork production and claimed that while the price of certain foods had been lowered in comparison with 1953—lard by 22 percent, butter by 14 percent, eggs by 24 percent and green vegetables by eight to 37 percent—the price of meat, fruit and certain vegetables on the free market had risen.

The third quarter report, broadcast over Radio Budapest, October 22, provided more insight into New Course consumer goods production. The Central Statistical Office claimed that in comparison with the same period of 1953, light industry in the third quarter of 1954 had produced 7.7 percent more and the food industry 11 percent more. Heavy industry, on the other hand, dropped 5.1 percent. Consumer goods production rose by 12.5 percent, but despite gains, industry had not satisfied growing demands, the plan for production of farm machines and nitrogen fertilizer had not been fulfilled, products were below standard quality and productivity was slightly lower than that of the second quarter as well as the corresponding period of 1953. In absolute figures, consumer goods increases in the third quarter of 1954, as compared with the corresponding period of 1953, included 14,000 bicycles, 1,500 motorcycles, 81,600 radio receivers, 1,000 kilograms of penicillin, 3,100,000 square meters of woolen material, 125,800 men's suits, 132 million bakery products, 15,300 quintals of cheese, 540,500 quintals of soap, 10,500 quintals of butter, 147,400 pairs of men's shoes, 606,500 pairs of children's shoes and 125,800 men's vests.** These increases, however, did not signify a lack of difficulty in light industrial production. For instance, Radio Budapest, October 11, complained bitterly about shortcomings in the Ministry of Metallurgy and the Machine Industry which "owed a debt of many millions worth of consumer goods in the last quarter year, as for example, 2,200 bicycles, several thousand spokes, cog wheels, etc. [Now] at the beginning of winter, enterprises of the Ministry have delivered only 50 percent of the stoves ordered and of these 240 thousand stovepipes are missing. We could go on citing many facts and figures which make the responsibility of the Ministry evident."

Kovacs' complaint that light industrial production had not kept pace with growing consumer demands was partially confirmed by statistics issued on consumption. The third quarter report claimed that "socialist trade" had fulfilled its sales plan of industrial consumer goods by only 98 percent; this, however, represented an increase of 35 percent over the same period last year. The goods supply to rural districts also improved, with consumer cooperatives

* Zoltan Babos, *Nepszava*, October 9, 1954.

** In the third quarter investments were reduced by 17 percent (the total for the year is 30 percent). Industrial investments constitute 43 percent of the total investments as against the 36 percent scheduled; agricultural investments amounted to 21 percent as against the 24.2 percent scheduled; the percentage of social welfare, cultural and health investments was somewhat below the percentage called for.

supplying 25.8 percent of the nation's entire goods turnover, as compared to 22 percent for the same period last year. Retail trade fulfilled its overall sales plan for the third quarter by 101 percent, and its turnover allegedly exceeded that of the same period in 1953 by 23 percent. In view of the significant increases in retail trade and overfulfillment of the sales plan, it would appear that consumers are eager to purchase goods which have been short for years. (For a more detailed picture of consumer goods production, see pp. 15-27.)

Aside from the unsatisfactory rate of light industrial development, the regime has admitted severe difficulties in the building industry, which have prevented any striking improvement in worker living conditions. The second quarter report stated that the Building Ministry had fulfilled its plan by 96.1 percent, and the industry as such by only 86.9 percent. The third quarter report announced that during the first nine months of the year, 13,000 apartments had been completed. Of these, expenses were wholly or partly met by the State on 5,800 apartments, while about 7,000—mainly rural dwellings—were built chiefly from private resources. According to *Szabad Nep* (Budapest), January 27, 16,000 apartments were planned for the entire year, which means that housing is not too far behind schedule. However, the present target of 16,000 is very inadequate considering the fact that housing was almost completely neglected by the regime prior to the New Course. The necessity of speeding up housing was emphasized by Istvan Kovacs, who said on October 12 that completion of new homes was proceeding sluggishly and that housing constitutes one of the most serious problems in Budapest whose population has been increasing on an average of 50,000 yearly. "We must hold out no irresponsible promise to workers. The steadily growing claims for homes cannot be met within a short period, even with the best intentions. We must state quite frankly that we are encountering serious difficulties. . . . Despite all the new building and repair work done on old ones, it will take many long years before we shall be able to meet all the claims for homes."

The following chart shows third quarter increases of 1954 over 1953 as compared with 1953 increases over 1952.*

	Third Quarter	
	1954 - 1953	1953 - 1952
Total Manufacturing		
Industry	1% increase	12% increase
Heavy Industry	5.1% decrease	Mining 6.5% increase
		Smelting 8.3% increase
		Building Mat. 14.4% increase
		Chemical 19.7% increase
Light Industry	7.7% increase	—
Food Industry	11.0% increase	18.1% increase
Consumer Goods	12.5% increase	—

* *Szabad Nep*, October 18, 1953, and October 23, 1954. During all of 1953, a smaller quantity of cotton fabrics and shoes were produced than in 1952. On the other hand, the leather industry showed a 9.1 percent increase over 1952 in the third quarter.

Labor

Two New Course factors seriously hampering production are the dislocation of manpower which has accompanied the new investment policy and the increasingly lax labor discipline in factories. It appears that since the new program was initiated, workers have become less afraid of the regime, while economic leaders have grown more timid and indifferent with regard to enforcing regulations. The apathy of both workers and managers has largely contributed to the growth of squandering, waste, low productivity and illegal economic activities, and such practices as pillaging, black marketeering and conducting "business on the side" are now common. Despite Communist promises and admonitions, Hungarian labor has shown neither gratitude nor loyalty to the regime for introducing the new conciliatory program and instead has exhibited a complete disregard for "socialist property" and the Party's economic requirements. This negative attitude has been rebuked severely in recent months, and the Party's efforts to pinpoint managerial responsibility and introduce an incentive wage system are aimed partially at overcoming widespread laxity.

Pillaging and Waste

The indifference now prevailing in factories was bitterly condemned by the Central Committee meeting, and in his October 12 speech Istvan Kovacs claimed that waste of materials had assumed shocking proportions, while petty thievery was even more intolerable:

"So-called light-hearted thievery has become very widespread. . . . Some people consider it a source of wage supplement and indulge in it freely and persistently. Stealing of building materials has assumed even larger proportions than in the past since the encouragement given to construction of family dwellings and private property. For example, a truck-driver, delivering bricks, collected the signature verifying delivery and then turned back with a full load only to sell the goods at a handsome profit in the presence of many workers, including Communists. In factory canteens, cutlery has to be replaced several times yearly as it is stolen continually. *The trouble is that many honest workers and Communists know of thefts and regard the thieves as clever and resourceful. They tolerate scandalous behavior and do not stand up against it.*" (Italics added.)

The popular desire to cheat the regime rather than to serve it was apparent also in a *Szabad Nep* October 18 editorial, which complained that mounting industrial failures and lax labor discipline were due to the fact that foremen rarely call unruly workers to account and conspire in illegal transactions:

"This is the reason why black marketeering can go on for such a long time. Day after day [in the Elzett works] different women's articles, handbags, etc., changed ownership in the workshops. Over office telephones business transactions took place, and clothes were tried on in laboratories. The entire affair was discovered [only] when the clothes of one of the swappers disappeared. . . . Communists and functionaries knew about these things and even took part in the transactions. It is clear that whoever is observing work



Caption: "Don't hold it, Elizabeth. I finally got some nails."
Ludas Matyi (Budapest), November 26

discipline and enforces it in a factory is doing a good turn to the country and the factory workers, while if somebody does the opposite . . . he makes the affairs of the country and individuals more difficult."

Ineffectual managerial control also was scored in the Central Committee resolutions, broadcast over Radio Budapest, October 22. Deplored the increase of "crimes against socialist property," the resolution stated that "there are too many who under the pretext of strengthening ties with the masses, desist from demanding strict observance of labor and state discipline and the careful preservation of socialist property." The Central Committee said that such officials were responsible for a serious overdrawal of wage funds, neglect of tax payments and delivery obligations, and large-scale waste. Further, one of the chief manifestations of "squandering" has been the excessive growth of non-productive workers and the swelling of the state budget beyond regime means: "The incorrect and bureaucratic methods adopted in the running of economic life, the spate of resolutions, instructions, reports and returns divert attention from the more essential economic tasks and most frequently conceal an impotence of leadership and remoteness from life."

Labor Rationalization

In an attempt to pinpoint managerial responsibility, reduce State expenses and solve its manpower problems, the regime has embarked on the "rationalization of labor," a process which has involved a sharp reduction of administrative and office personnel. The dismissed employees are to be drafted into agriculture and industry where there is a large manpower shortage. Prior to the New Course, the Communists cut down their farm labor force by drafting agricultural workers into heavy industry. Shortly after the new program was introduced, the opposite trend was apparent, and many industrial workers were shifted back into agriculture. As a result industry suffered, and on October 15 Minister of Coal Mining Czottner blamed the lag in mining on labor deficiencies: "At the beginning of summer, at the time of great farm work, there was a huge

manpower shortage—6,000 workers were missing. . . . Because of this, the backlog of coal mining increased to 400,000 tons. Even today, almost 2,500 workers are lacking in the mines. We can remedy this if, by regrouping industry, the government gives the mines 2,500 new workers." In view of lags in heavy industry, as well as the slow pace of light industrial and agricultural production, the regime has decided to pare down its swollen bureaucracy not only by reducing office staffs, but also by dissolving enterprises which previously acted as "middlemen" between producers and consumers.

The difficulties of rationalization have been revealed by Party leaders, who have made persistent attempts to explain the necessity for this course. Not only have employees been frightened by the large-scale dismissals which recently have taken place, but many of them resent going into factories and receiving lower salaries. Further, many of them are unsuitable for the type of work the regime now wants them to do, while others have been victims of temporary unemployment, since agriculture and industry have not absorbed the released employees with the speed originally planned*. Because workers have tended to "enlarge the smaller and greater problems of reorganization to giant dimensions,"** the regime has attempted to allay panic about unemployment and to explain the disadvantages of a swollen bureaucracy. In a speech on September 21, Matyas Rakosi insisted that the nation's economy was sound and said that despite "enemy rumors" there was no unemployment in Hungary: "The opposite is true: a great labor shortage is one of the greatest difficulties we face. . . . Agriculture will require at least 100,000 workers. In the building industry, the labor shortage amounts to many thousands. . . . We could employ immediately many thousands of workers in the mines, and also in the textile and food industries."*** On October 12, Istvan Kovacs issued a reply to those critics who asked—What sort of socialism is it where dismissals can occur?:

"It is a commonly known fact that the numbers engaged in public administration have more than doubled since the liberation. Worse still is the situation in factories and on building sites. In the Rakosi works, for instance, between 1938 and 1954, the office staff has increased fivefold, while the number of workers has not quite doubled. . . . Workers often are annoyed at having to fill in six or eight forms in order to obtain the simplest tool. Too many supervisors tend to worsen rather than improve the performance of workshops. This is borne out by the example of Mavag where, ever since 424 members of the administrative staff were dismissed, work has visibly improved. . . . The interests of the national economy demands productive work from the greatest possible numbers, and the reduction, as far as possible, of non-productive workers. . . . While in the government apparatus, . . . and in offices there is a surplus of labor, in many industrial branches, on building sites and in agriculture, there is a labor shortage. In Budapest, for

* See November 1954 issue, p. 51.

** *Irodalmi Ujsag* (Budapest), September 18, in an article which attempted to prove that dismissed employees had found new jobs almost immediately.

*** Rakosi's speech recorded by Radio Budapest, September 21.

example, hundreds of textile machines are idle, and in some places, were it not for the labor shortage, it would be possible to keep three shifts going."

A clue to the workers' reaction to rationalization was provided by *Szabad Nep* (Budapest), August 30, which declared: "Rationalization must not be delayed, nor is it permissible to sabotage the reduction in force by a sort of regrouping whereby administrative workers are simply transferred [on paper] and registered under the status of physical workers." In view of this hostility, it is possible that the rationalization program will cause the regime far more difficulties than it originally expected. If the workers released through rationalization are discontent in their new jobs, it is likely that they will contribute to low productivity and high production costs in factories and farms. Further, the fact that many of the dismissed employees are not trained for the type of work they are required to do may have a damaging effect on the rate of production.

In carrying out rationalization, the regime is counting not only on the workers' understanding "its justness," but also on more effective managerial leadership. As emphasized by the Central Committee, the "structure of management must be changed so that every economic manager may be able to act independently within his scope of work and to take full responsibility. We must put an end to the untenable situation in which not the slightest harm comes to the person who fails to fulfill the plan." Aside from doing away with bureaucracy, the Party has decided to give workers incentive by revising the price and wage system in favor of food and consumer goods production: "Price regulations which present unilateral advantages to heavy industry must be altered. A wage and premium system must be aimed at which will enhance the workers' interest in production of goods of suitable quality, variety, in higher productivity, economy in materiel and reduction of production costs."**

Agriculture

Speakers at the Central Committee meeting revealed that the slow pace of agricultural production continued to be the regime's chief concern. Despite the various incentives given to farmers, New Course gains were smaller than anticipated, and food supplies and food exports are still far below requirements. Although the livestock situation has somewhat improved, cattle breeding remains unsatisfactory and farmers have shown no more willingness to meet delivery obligations than hitherto. The plan reports stated that over the past year the poultry stock has multiplied and that between March and the end of summer the pig stock increased by 1.1 million and was expected to reach the postwar high of 6.5-7 million in autumn. Similarly, in 1954 the sheep stock increased by more than 232,000. The breeding of horned cattle, however, remains poor, the number of cows is small, the milk yield has increased only slightly and dairy supplies are still in shortage. Radio Budapest, October 14, admitted that

* Radio Budapest, October 12.



Time: We Must Educate the New Miners.

1. They have to be made familiar with the working place — but not like this.

2. They must be taught discipline — but not like this.

3. After work they can drink a glass of wine—but not like this.

Ludas Matyi (Budapest), December 17, 1953

"at the present level of cattle breeding we are unable to give more milk, butter and cheese to the workers, and we cannot manufacture more and better shoes and boots." Other complaints were registered by Radio Budapest, October 11, which declared that the weight of slaughtered cattle was unsatisfactory, and that while *household livestock owned by cooperative members had shown a satisfactory increase, the commonly-owned livestock in cooperatives was low*. To give further incentive to cattle breeders, the Council of Ministers passed a September 21 resolution raising the prices paid to farmers for slaughter cattle bred on contract. The prices paid to farmers for obligatory slaughter deliveries will be raised also.*

The regime also admitted that mechanization of agriculture was slower than originally planned. According to *Szabad Nep*, October 21, Hungarian industry had supplied villages with fewer tractor plows, cultivators and sprayers than expected, and the quality of farm machines, with the exception of combine harvesters, had shown almost no improvement. As compared with 1953, production of small farm machines in 1954 increased to the value of 85 million *forints*, but despite sharp increases in some implements, there were shortages in a number of important items such as pitchforks and cart axles. On October 23, *Szabad Nep* announced the following increases in mechanization: from the beginning of the year to September 30, agriculture received 2,423 tractors, 302 combines, 930 threshing machines and 332 harvesting machines. Within the same period, more than 16,000 ploughs, about 17,000 harrows and several tens of thousands of small farm implements were supplied to agriculture. In view of complaints by Kovacs and other top leaders concerning delays in production of farm machinery, it is clear that mechanization will have to proceed at a still faster rate to satisfy

plan requirements and to make up for the shortage of farm labor.

Crop results announced by the regime showed some increases in the cultivation of vegetables and grain. *Szabad Nep*, October 21, claimed that the nation had sown 317,000 more cadastral acres of wheat than in the corresponding period last year, and that the rye crop had exceeded last year's by 100,000 cadastral acres. It also was announced that the area sown with rice had reached 73,000 cadastral acres, making Hungary one of the largest rice-producing countries in Europe.* With regard to vegetables, *Szabad Nep* claimed that compared to last year, the 1954 tomato crop had increased by 29 per cent, red onions by 101 percent, runner beans by 94 percent, and peas by 32 percent. Vegetable exports also increased and are expected to be three times higher than those of 1953. Whereas the nation had to import onions last year, this year "she has amply satisfied domestic needs and even has exported several hundred carloads; exports of fresh tomatoes increased to 1,400 as compared with 200 last year." The supply of bread grains and potatoes, however, is still below requirements, and the fruit and wine crops were poor due to unfavorable weather conditions. As for industrial crops, tobacco production is expected to be eight percent higher than the average yield of the last five years, the sugar beet crop 32 per cent higher, fibrous hemp 21 percent higher, and fibrous flax 43 per cent higher.

Significant insight into Hungarian farm production was provided by candidate member of the Central Committee Lajos Feher, who in a November 6 *Szabad Nep* editorial discussed the nation's export needs and gave a clue to the role agriculture is to fulfill in the nation's economy. Feher stated that Hungary ought not to produce wheat for export because the cost of raising wheat in Hungary is about three times higher than in the US or the USSR. Feher suggested that the nation export instead poultry, goose

* Radio Budapest, October 21: "In the first eight months of 1954, 28 percent more dairy products were brought to the free markets of Budapest than in the corresponding period of the previous year. This improvement, however, must be considered only an initial achievement."

* Although the rice crop was said to have been successful, it also was admitted that there was not enough rice to meet consumer demands. See p. 8.

liver and vegetables such as onions, peppers, tomatoes, seed corn, legumes and fresh or dried fruits—that is, crops which do not require large acreages. Feher also made the point that Hungary's raw material supplies were low and said that it therefore would be easier for her to increase her supply of goods by importing machines and raw materials and investing in agriculture rather than industry. Further, Feher said that, to increase farm production, the nation must largely substitute a free market policy for the present policy of compulsory food collections. Feher claimed that the government must create a price policy that "spurs the interests of both individual and collective farmers in the ever-increasing production of small-plot farm production. We must recognize," he said, "that we can obtain the necessary products not so much by increasing delivery quotas as through the market—in other words, by heightening the material interest of farmers."

Peasant Resistance

Feher's emphasis on small-plot production and a free market policy is particularly revealing in view of continued peasant resistance. Although the New Course has involved consistent bids for peasant support, the Party press has noted repeated failures of peasants to pay taxes or to comply with compulsory delivery obligations. Further, officials responsible for crop collections now treat farmers leniently and even conspire with them against the government. It also is significant that peasants have responded to regime concessions by withholding their produce and taxes in the hopes that the Communists will be forced to make further concessions to farmers.

Aside from peasant refusal to cooperate in the New Course, the situation in agriculture has been complicated by the fact that in October and December 1953, fifty percent of the kolkhoz farmers quit the collectives while only 25 percent of the kolkhoz land was returned to those leaving. This disproportion created a serious shortage of farm labor on the collectives. The Communists have attempted to remedy conditions by wooing collective peasants back into kolkhozes and by obliging farmers who took jobs in industry to return to the villages.* Regime efforts at "rationalization," however, have been greeted with hostility both by farmers who have remained on the kolkhozes and resent the attitude of those who left, and by workers who are reluctant to return to the rural life they left a few years ago. Further, many regular industrial workers who have been shifted to agriculture have been received coldly by peasants, who suspect them not only as "city men," but also as regime agents and propagandists. In view of the above difficulties, the regime is as concerned as ever with winning over the peasants to "socialism," and has admitted that agriculture remains the nation's chief weakspot.

A description of peasant resistance was provided by Radio Budapest, October 28, which reported that a kulak who had attacked a collection agent with a club had been sentenced to four and a half years imprisonment for attempted

manslaughter. The relatively mild sentence imposed testifies to the regime's attempts to pacify the peasantry despite the fact that their hostility is as strong as it was prior to the New Course. Other official complaints pointed to the apathy of local council officials in collecting deliveries. On August 4, Radio Budapest severely rebuked the council practice of giving unlawful concessions: "Nation-wide data shows that of a hundred concessions given, 40 were illegal. These figures prove that the councils . . . close their eyes and allow everyone to swindle the state. . . . Many leaders of village councils think that it is illegal to warn farmers who have not delivered their quotas, and that the lazy must be left to fulfill their duties as they see fit. The attitude of such councils is illegal. . . . Those who are intentionally lagging with delivery quotas should be punished by a twenty percent increase in their quota, and those who do not fulfill their obligations after punishment should be made to give an account on the spot."

On September 8, *Dunantuli Naplo* (Budapest) registered an even more significant complaint when it revealed that even council members had refused to surrender their produce: "In Revfalu . . . president Mark Szabo owes the state 356 liters of milk; Jozsef Golyak, milk manager, owes 234 liters. . . . In Kovagoszollo, the secretary of the local Party organization is 1,248 liters of milk in arrears, although he owns two good milk cows. . . . Other council members also are defaulting. No wonder Kovagoszollo achieved only 16 percent of its milk delivery quotas." On the same day, the newspaper discussed lags in Devecser:

"Until the middle of August Devecser completed pig deliveries by only nine percent, beef cattle by 37 percent, egg deliveries by 46 percent and poultry by 47 percent. What is the reason for this? . . . The leaders have created a gay life for the kulaks. Antal Markos even has money hidden under his skin: . . . he does not pay taxes and is at least 20,000 *forints* in arrears. Janos Kallos . . . had abundant crops on his 20 acres and a prosperous livestock. Nevertheless, he failed to complete his compulsory delivery. Markos, Kallos . . . and other kulaks are grateful, since nobody at the council meetings has mentioned their illegal activities. Who is going to have serious losses because of the generosity the kulaks enjoy? The whole village."

The almost total breakdown of discipline and the prevailing indifference to Party commands was described by *Dunantuli Naplo* on August 8, which reported that even Communists in the district of Merenya had refused to deliver their quotas because they "wanted to take care of their own needs first." The defaulting Communists were summoned to a local council meeting and ordered to bring their produce, but they arrived without their deliveries. The council then raised the quota ten percent, and warned the Communists that forced collection would result if they did not surrender their produce. The farmers still refused to obey and, after several days had passed, a committee visited the peasants concerned with the aim of enforcing deliveries: "But the farmers shut the doors of their granaries and leaned against them, after putting their keys in the pockets. 'Now try to do something.' By evening everyone in the village was laughing at the committee."

* See October 1954 issue, pp. 46-47; September 1954 issue, pp. 55-56.

On July 9, *Szabad Nep* tried to combat resistance by emphasizing the important role delivery quotas play in the nation's foreign trade and living standard, and by destroying hopes that the government would give further concessions in agriculture: "In the last few months . . . an attitude has come into being which speculates on some new kind of concession, some miracle. Each week they wait for some new surprise and believe that the state is a milking cow or a gift machine. Crop delivery is a law compulsory for everybody. Nobody shall regard it as a disturbance or a breach of law, if our councils and collection organs demand that everyone fulfill his crop delivery norms punctually." In an editorial on the following day, *Szabad Nep* announced: "The state has established the obligations of the working peasantry for several years in advance, and nothing will be changed; nothing will be added . . . but nothing will be cancelled either. Those who fulfill their crop delivery obligations by August 1 directly from the threshing machine will even be granted quick delivery awards. Those, however, who try to evade the law will have to turn in an additional ten percent."

Farm Decrees

In recent weeks the regime has passed several decrees intended to help boost farm production. On October 3, the Council of Ministers announced that beginning January 1, 1955 farmers may be granted a certain amount of bran for every metric quintal of bread grain delivered in excess of the quota. The decree also called upon farmers to remit all their delivery arrears in bread grains, which are badly needed by the nation. On November 1, the *Agricultural Bulletin* published a decree on the utilization of reserve lands.* The decree states that kolkhozes must be given preference on non-utilized reserve lands. If these lands are not claimed, they must be given to experimental farming stations, to tractor station workers for household plots, or to pedagogues for vegetable plots. The decree states also that peasants who received poor quality land when leaving the kolkhozes may request reserve lands in exchange. The reserve land, however, is of inferior quality, and it is un-

* This decree followed a decree which permitted exchange of lands between state farms, kolkhozes and independent peasants. Exchange of lands was prohibited in July 1953, when it was admitted that this practice had been a means of taking good land away from independent farmers and incorporating it into collectives. The new decree, while permitting exchange of lands, presumably will not be used to deprive independent peasants of their property. The decree on utilization of reserve lands was accompanied by another decree stating that if state reserve land which is leased is needed by the state for investments of public interest, the lease may be terminated at the end of the economic year. The decree stipulates, however, that the tenant must be reimbursed for any damage he may suffer due to termination of the lease, and that he must have suitable land at his disposal.

likely that the above provision will greatly allay peasant discontent. The chief aim of the decree seems to be to ensure the utilization of as much land as possible. Earlier in the New Course, reserve land was given to small and middle peasants, who enjoyed certain delivery and tax concessions for cultivation. On October 31, 1953, Rakosi disclosed that 800,000 acres of reserve land had been cultivated by independent farmers. According to recent estimates, there is now about 1,200,000 cadastral acres of reserve land still unused.

Another significant decree was published on November 3 pertaining to the duties of State farm directors. The aim of this decree was to pinpoint managerial responsibility by placing the director in charge of and making him accountable for production plans, deliveries and farm investments. According to the decree, the State farm director makes all the decisions concerning the farm and "is in every respect personally responsible for the management." He is subordinate only to the head of the Production Board and to the Ministry. The above decree followed numerous complaints about failures of State farms to meet production targets and to lower production costs. Further, it is interesting to note in connection with this decree that the Ministry of State Farms, which was merged with the Ministry of Agriculture in July 1953, was again re-established on November 1. The setup on State farms somewhat resembles the setup in Communist factories, and the same troubles plaguing industry are evident in this sector—i.e., absenteeism, indifference, reluctance to assume responsibility, etc. In view of these shortcomings, it is understandable that both in factories and on State farms the regime is attempting to install a system of one-man leadership, despite the injunctions about mass participation in the New Course and collective leadership in Party organization.*

The practical and psychological results of the New Course have been far below regime expectations, and the ills the new program was intended to remedy seem, in many sectors, to have increased rather than diminished. In so far as worker and manager morale is concerned, the New Course has resulted in a rise of confusion, resistance and lack of discipline. In terms of agricultural and industrial production, it has created new problems which have seriously hampered the rate of development, and achievements so far do not measure up to investments or to economic requirements. Unless the Party leadership is able to solve its manpower problems, to improve managerial efficiency, to win the support of workers and peasants, and to gain firm control over Party ranks, it seems likely that the economy will continue to suffer for some time to come.

* See the section on initiative and responsibility in "The Ideology of Agitation," NBIC, August 1954 issue.

The June Road

The following speech was made by First Deputy Chairman of the Council of Ministers Andras Hegedus at a November 14 local council election meeting in Sopron. Hegedus gave the latest regime figures on New Course consumer goods production and provided insight into New Course economic readjustments.

WE have committed and still commit mistakes in our efforts to build up the country's economy.

... Our Party has bravely pointed out these mistakes. . . . The Party and Government not only reveal mistakes, but also remedy them by relying on the people. Proceeding unwaveringly along the June road, we are making our country ever stronger and richer. . . .

"The Central Committee of our Party pointed out in June of last year that despite great achievements, the development of our industry had not taken the right course. . . . Because we have not correctly assessed our endowments and our needs in the course of developing our industry, it must be readjusted. What are the aims and objectives . . . in developing and readjusting our industry? First and foremost we want to produce consumer goods. We want our working people to be able to convince themselves by direct experience of the fact that we have become an industrial state—that is, by great variety and good quality in industrial articles.

"Since June 1953 we have made good progress. . . . In the past quarter of this year we produced forty percent more consumer goods than in the same period last year. Continued improvement in the living standard makes it imperative to advance along this path. Therefore, according to preliminary plans, we shall double this year's consumer goods output next year. This means an almost 300 percent increase over 1953.

"To raise our working people's living standard, we must not only produce more consumer goods, but we must produce them cheaply. To achieve this, industrial production must be rationalized, productivity must be increased, and production costs must be reduced. We must produce more value at less cost, with less work and less material. . . .

"Since last June the development of agricultural production has been [our] main task. . . . Until last June, the development of agricultural production was relegated to the background. In consequence, the working peasantry obtained little money and purchasing power and was not able, with the money it had, to buy industrial articles needed for the development of farms. We have changed this situation to a considerable extent. Existing backlog will soon . . . be remedied.

"The working peasantry has noticed this change and has replied with good work. Or is it just an accident that autumn sowing operations progressed much better this year than any time previously? About 100,000 more cadastral holds have been treated with . . . manure, and twice as much chemical fertilizer has been used in comparison with last autumn. . . . The area sown with bread grains is 600,000 holds greater than last year. No, these things

are not mere accidents. Our working peasantry works with increased confidence and greater zeal. . . .

"It is our purpose to make sure that agricultural producers who have fulfilled their delivery obligations are able to bring their produce to the free market unhampered by any sort of limitation, so that they may sell directly to consumers without the intervention of intermediaries. . . . The realization of this objectives makes it imperative that working peasants unite their forces in one form or another for the marketing of their produce. . . .

"Our Party and Government do not force working peasants either to form simple associations or to join producer cooperatives. But because they are convinced that association and jointly performed work are beneficial and profitable from the point of view of both the working peasantry and the working people as a whole, they accord full moral and material assistance to these associations, and above all, to their most developed form—the producers' cooperatives.

"The most characteristic . . . feature of our economic policy is, in addition to the points already mentioned, the taking into consideration to the largest possible extent our country's natural endowments. Our point of departure is what we possess, and not our desires and our dreams.

"In the first place, we will develop those branches of our people's economy where our possibilities are greatest and . . . which we most need. We will develop . . . our electrical industry whose products have a good reputation throughout the world; we will develop our viticulture and fruit growing, our poultry stocks, our vegetable production.

"Until now taking into consideration local possibilities has been hampered by the fact that too many problems could be decided only at the center, in Budapest. Now we will also introduce changes in this respect. Local councils will be invested with greater competence. . . . On December 31, the Sopron town council will take over the management of several important enterprises, such as the bread factory, the Sopron department store, the nursery and the hotel industrial enterprise. Until now, these have been managed directly by various ministries.

" . . . In Sopron as in the country at large, workers, working peasants and intellectuals must join forces. They must work together, with one will for one purpose: the progress of our country and our people. . . . This force, the force of our free people, will perform miracles here as elsewhere in the country. Those electors who cast their votes for the PPF will contribute to the emergence of this creative strength. . . ."

Consumer Goods and Internal Trade in Hungary

This is the third of a series of articles on internal trade and consumer goods in the Satellite countries. If the New Course is to function these are crucial areas in which to watch developments.

DURING the past half century, the Hungarian economy has gone through a series of painful readjustments. Prior to the first World War, the country's economic welfare was tied to the Austro-Hungarian Monarchy. Hungary, primarily an agricultural area, supplied the empire with many of its agricultural commodities. The break-up of Austria-Hungary destroyed the guaranteed market previously provided by that more or less self-sufficient economic unit, not only for Hungary's agricultural products, but also for some of her industrial goods.

The interwar period found Hungary suffering from economic nationalism, a malady common to most countries during this era. High tariff barriers cut off many of her markets, so that, forced to depend upon her own resources, Hungary proceeded to industrialize. This move was accentuated by the depression of the 30s, when agricultural prices decreased relatively more than those for manufactured goods. Population growth also hastened the development of industry, for it provided a reservoir of cheap labor that, because of prevailing conditions in world markets, would not be absorbed into agriculture. For example, by 1941 the population density was 100.1 persons per square kilometer, compared to 93.4 in 1930 and 64.2 in 1914. According to the Hungarian Institute of Economic Research, the contribution of industry and mining to total employment rose from 21.3 percent in 1920 to 25 percent in 1940.

With the outbreak of World War II the necessity of maintaining a maximum output of war materials accelerated industrialization. The Hungarian Institute of Economic Research estimated that the country's industrial productive capacity rose during the (1939-43) War period by 24 percent, and that power output increased by approx-



Title: He Finally Took Notice.

Caption: Manager of the textile factory—"It seems to me that I have seen this pattern somewhere before." Chief foreman—"Naturally, we manufacture it."

Esti Budapest, August 2, 1954.

imately 42 percent. This period also saw shifts in the utilization of industrial capacity: the percentage of utilization of plant and equipment in heavy industry showed substantial increases, while it declined in light industry. The post-war UNRRA Mission to Hungary reported that in 1938 only 78 percent of the capacity of the iron and steel industry, 63 percent of the engineering industry and 69 percent of the chemical industry was fully utilized, while in 1945 the percent of utilization was 91 percent for iron and steel, 83 percent for engineering, and 84 percent for chemicals. The opposite happened in consumer goods production, particularly in the textile industry which fell from 92 percent utilization in 1938 to 86 percent in 1943, as well as in the leather, fur, rubber, bristles, and feather industries which dropped from 64 percent utilization in 1938 to 56 percent in 1943. In the same period, the clothing industry dropped from 59 to 45 percent utilization.

The year 1944 was particularly disastrous for Hungary. It was marked by succeeding German and Russian occupations, and the destruction or removal of a large portion of the country's productive facilities. The Nazis, in particular, removed millions of dollars worth of industrial machinery, most of which, when found after the war, proved to be beyond repair. According to the *Survey of the Economic Situation in Hungary* (Budapest), July 1946, out of Hungary's prewar capital equipment, estimated at 2.8 billion pengos, facilities worth 800 million were completely lost, and equipment valued at 800 million temporarily damaged. The Hungarian Institute for Economic Research, in its study, *The Economic Situation in Hungary in Summer 1946*, estimated that the amount of war damage in Hungary came to 30 to 40 percent of the country's national wealth in 1944.* Further, this loss in national

* *Economic Rehabilitation in Hungary, Operations Analysis Papers, No. 47, UNRRA (London), May 1947*, estimated the postwar industrial capacity at 20 percent below the 1938 level.

wealth was accompanied by a reduction in national income, probably amounting to as much as 50 percent. The Institute estimated that the 1945/46 national income calculated at 1938/39 prices was equal to 48.9 percent of the 1944 level.

The actual loss of goods and equipment varied from industry to industry. According to UNRRA the engineering industry with a 40 percent loss of industrial capacity was the hardest hit, while the textile industry, the iron and steel industry, and the chemical industry lost 13, 12, and 10 percent respectively.

In the spring of 1945, at the end of hostilities, Hungary found herself saddled with both a seriously depleted industrial base and a million dollar reparation debt.* Moreover, under the terms of the Potsdam Treaty and the Russian-Hungary Armistice Agreement, all former German assets within the country were given to the USSR. These agreements made no provision for Hungarian claims on Germany.

The immediate postwar period was marked by the greatest inflation in the country's history, and both industry and commerce were completely disrupted. Moreover, industry was faced with several other serious problems, such as a considerable shortage of raw materials (not enough to keep even a depleted industrial machine in operation) and a lack of foreign exchange with which to purchase necessary supplies. Agricultural products, which before the war made up 50 percent of the country's exports,** were now needed internally to feed a half-starved population. Thus, because of the low level of agricultural production (estimated by the Hungarian Institute for Economic Research to have been 43.3 percent of the 1944 level in 1945/46), the diet of the Hungarian worker was reduced to a bare subsistence level. As a result, work efficiency decreased by approximately 50 percent.

Through the currency reform, the Government hoped to lift real wages to at least 50 percent of the level in pre-war years. The January 1947 *Survey of the Economic Situation in Hungary* reported that this effort was successful in the case of workers, but that the remuneration of clerical workers and civil servants was then less than 50 percent of the peacetime level. A subsequent report, in the July 1947 issue of this publication, announced that the overall standard of living was by then 50 percent of the peacetime level.

Statistics of the Hungarian Board of Production show that at the beginning of 1946 industrial production was only 30 to 40 percent of the prewar level, despite the expansion that took place in the years 1939-43.

Consumer goods industries were among those most seriously affected by the shortages in raw materials. Ac-

* The reparation debt due to the USSR was originally set at \$300 million and later scaled down to \$200 million. Only a small fraction of the reparations owed Yugoslavia were ever paid, owing to the rupture of Yugoslav-USSR relations. The debt due Czechoslovakia was set at \$100 million. It is not known whether an adjustment has been made.

** *International Trade Statistics 1938* (Geneva) 1939, reported that in 1939 54.3 percent of Hungary's exports by value were agricultural products.

cording to the July 1946 *Survey of the Economic Situation in Hungary*, sugar production was at 50 percent and cotton textiles at 80 percent of the prewar level. However, this last named industry was almost entirely taken up with processing three million tons of Soviet cotton, 1.3 million of which were exported to the USSR as textiles, the balance remaining in Hungary as payment for its processing. An UNRRA study reported that in 1946 the leather industry was working at only 30 percent of capacity, and the sugar industry at 50 percent. The report also stated that at the end of 1946, the capacity of the aggregate textile industry was only 50 percent of the prewar level, with the woolen textile industry reduced to 20 percent of its former size. Similarly, the January 1947 *Survey of the Economic Situation in Hungary* stated that the wool industry was then utilizing only 50 percent of its working capacity, and that production had been reduced to only 10 percent of the prewar level. The survey also showed that the utilized capacity of the paper industry was 55-60 percent lower than before the war.

The Three Year Plan

Postwar planning in Hungary was initiated in August 1947 with a Three Year Plan. This Plan, though purported to be the joint undertaking of all parties within the government coalition of the National Independence Front, was actually the brain child of the Communist Party. Originally, all parties were given an opportunity to submit a framework for a coordinated plan. Actually, only the Communists and the Communist-infiltrated Socialists were able to submit plans. The Smallholder Party, the leading member of the Government bloc, was at that time going through a period of internal reorganization, and therefore it did not participate.

The fundamental difference between the Communist plan and that submitted by the Socialists was that the former stressed heavy industry much more than the latter. The plan adopted was the Communist blueprint with only minor modifications submitted by the Socialists and Smallholders. The Communists were able to impose their version on the country primarily because they were backed by Soviet bayonets. The USSR was then not only an Occupying Power (which it still is), but also controlled the country economically, mainly through "ownership" of so-called former German assets and participation in "joint" Soviet-Hungarian Companies.

Non-Communist planners resigned themselves to the plan because it seemed designed to raise the overall standard of living through gradual industrialization. At least that was the Communist contention at the time, and it was anticipated that industrialization would be instrumental in mechanizing agriculture, re-equipping consumer goods industries and expanding export markets for capital goods. Consideration was also given to the factor that approximately 80 percent of the USSR's reparation requirements were to be supplied by the engineering industry. However, as the plan got under way the original objective of raising the standard of living was quickly sacrificed to an all-out



Title: Furniture Wanted.

Caption: Hurrah! A bed-table is approaching.

Ludas Matyi (Budapest), January 7, 1954

expansion of heavy industry. An accurate picture of the original planning, aims and motives may be gotten from one of the early planners, George Kemeny (*Economic Planning in Hungary* [London] 1952):

"Retrospectively, the Plan might easily appear to be a scheme for extending heavy industrial potential and thereby serving Russian interests, its achievements in any other field being concommittants only of this dominant objective. In its later stage, when investment rose much above the anticipated level, the Plan may have assumed something of that character. But at the start the outlook was different. At any rate, after a period of privation, a serious effort had been made to raise the standard of living, if only as a means of attaining higher efficiency. Moreover, an austerity program, concentrating on the extension of heavy industry as its primary objective, did not fit into the political atmosphere of that initial period."

Although the Plan was scheduled to run three years, it was allegedly overfulfilled at the end of two years and five months. The regime published elaborate reports indicating that the 1949 industrial production was 53.4 percent above that for 1938, and special breakdowns were presented on the production results of each industrial sub-sector. These figures were taken as reliable by most specialists in the field, Communist and non-Communist, and from them they computed current production indices. This type of calculation went on until Matyas Rakosi's speech of May 24, 1954 in which the Hungarian official indirectly showed that the figures given at the termination of the Three Year Plan were either inaccurate or constituted deliberate prevarication.

The chart on page 27, on the development of Hungarian industry, contains both the old indices presented by Vas at the end of the Three Year Plan and the indices given annually in the Plan reports, as well as the "new" index reported by Rakosi at the Party Congress and figures given by Erno Balint and Tibor Vadai in *Statisztikai Tajekoztato*, No. 2, 1954.

A comparison between originally announced indices and the later version presented by Rakosi and the others shows, for instance, that in 1949 production did not reach the level first claimed. On the other hand, in 1951 the opposite took place: the regime at that time did not tell the full story about the accelerated industrialization plan and it was left to Rakosi to show that the effort was greater than had been officially admitted. The revised tabulation shows that while indices for the rate of increase of total production remained substantially the same, those for heavy and light industry were subsequently sharply raised. This revision entails a proportionate fall in the food industry figure for that year. The following year, however, a substantial rise was recorded in the food industry index—from 16.5 percent in the original figure to 24.8 percent in the final figure—probably as the result of the new facilities added during 1951.

Five Year Plan

On January 1, 1950, Hungary embarked upon her second postwar plan. By then the Communists were firmly established in the country and they patterned their planning on the Soviet model, adopting the five-year time unit. At first the plan was apparently still "national" to some extent, in so far as it was primarily geared to internal development rather than to areawide needs. But with the start of the Korean War in June 1950, economic plans were quickly altered throughout the Soviet orbit and the Hungarian Five Year Plan had hardly been launched when investment allocations and the 1954 goals were raised.

The prime intent of the Plan was described as "the acceleration of Hungary's industrialization . . . [through] the development of heavy and machine industry, a precondition to the development of light industry." Unlike the Three Year Plan, the new effort was meant to alter radically the basis of Hungarian economy. It aimed at "the transformation of Hungary from an agrarian-industrial country to an industrial-agrarian country." The speed of this conversion was increased through a revision of original goals by the Second Congress of the Party. The new directives went into effect on May 16, 1951, and, as can be seen from the chart on page 26, the switch placed greater stress on heavy industry.

Although investment expenditures in the original plan were heavily weighted in favor of producer goods, these were considerably augmented in the accelerated program. For example, overall investment allocations were increased 57.2 percent (from 50.9 billion to 80 billion *forints*) while investments in heavy industry were increased 105 percent (from 18.3 billion to 37.5 billion *forints*). On the other hand, investments in consumer goods industries were increased only 16.7 percent (by 0.5 billion *forints*) while those for internal trade were increased only 11.1 percent (0.1 billion *forints*). In other words, investments in heavy industry, which formerly amounted to 36 percent of the envisaged investment outlay, were now scheduled to amount to 46.9 percent of the total. Investments in consumer goods industries and internal trade, originally projected as 5.9 and 1.8 percent respectively, were now envisaged as only 4.4 and 1.3 percent of the overall sum.

The structural composition of the Five Year Plan indicates that it was primarily directed at the expansion of capital goods production, not as a step toward the expansion of consumer goods production, but rather as a complement to turning out other such goods both in the USSR and in other parts of the Soviet orbit. Under normal trading conditions, this stress on increasing industrial exports might have been to Hungary's advantage, in that it would have made her less dependent upon wide price fluctuations of agricultural products. But in trading with the Soviet Union, Hungary is at a marked disadvantage because the terms of trade are set against her. All prices for both imports and exports are regulated by the USSR, and Hungary's export prices are thus considerably below those on the world market. Conversely, the prices she pays for imports from the USSR are substantially above those prevailing throughout the Free World.

In the fall of 1953, Hungary's Five Year Plan went through a second major revision. This revision, part of the New Course Program to bolster the production of consumer goods, was first revealed in Planning Bureau Chief Szalai's report to the Hungarian National Assembly on January 22, 1954. This revised plan, shown on the chart on p. 26 as the modified plan, called for the following production changes as compared to 1953: a 4.5 increase in overall industrial production, a two percent decrease in heavy industrial production, a 16 percent increase in the production of light industry and a nine percent increase in food industry production (this averaged an approximately 12.9 percent increase in consumer goods production). Without giving the exact amount, Szalai revealed that to accomplish these goals heavy industrial investments for 1954, compared to 1953, would be scaled down considerably, while those for agriculture, labor protection, and health services would be substantially increased. He specifically indicated that, in contrast to past practice, the 1954 plan provides for utilization of the engineering industry in manufacturing a substantial quality of consumer goods and equipment.

The extent to which the production of consumer goods had been neglected in recent years is pointed up in the chart on p. 26. For example, with the exception of 1950, the percent of increases in the heavy industrial sector was greater than that for total industrial production. Further, while heavy industry increased at an average annual rate of nearly 31 percent, the rate of increase for light industry fell from 30.7 percent in 1950, to 29.3 in 1951, 9.9 in 1952, and finally to a decrease of 0.5 percent in 1953.

It should be noted that the 1954 "Modified Plan" goals for heavy industry and total industrial production fall about mid-way between the original goal and the "Accelerated Plan" goal. However, the consumer goods industry goal (see chart page 27) under the "Modified Plan" is only slightly below that for the "Accelerated Plan." This is due to the fact that consumer goods production, under the "Accelerated Plan," did not call for as substantial a rise as that for heavy industry and that the New Course Program envisages greater emphasis on consumer goods production.

Quantity

The problem of increasing the supply and quality of consumer goods recently has been the subject of innumerable speeches and articles by members of the Communist hierarchy. Among the most significant pronouncements were those of CP Secretary Matyas Rakosi (May 24, 1954), Prime Minister Imre Nagy (January 23, 1954), President of the National Planning Office Bela Szalai (January 22, 1954), and Communist economist Vilmos Saghay (*Tarsadalmi Szemle*, June 1954). The current situation was probably most succinctly summed up by Saghay:

"Despite the rapid development of [Hungarian] industry, serious difficulties have arisen during the past few years in supplying the country with industrial consumer goods. The principle reason for this situation was that while we emphasized the development of certain branches of heavy industry, we paid comparatively little attention to those industrial branches responsible for the production of consumer goods. . . . Although the overall consumer goods situation was poor, it was particularly unsatisfactory in fulfilling the requirements of the rural population. Our industry failed to satisfy the special requirements of the countryside. For example, there were practically no boots, riding breeches, windbreakers, cotton textiles, and other goods used in the country available on the market. Moreover, the little that was available was of very poor quality."

The regime's recent "concern" for the plight of the rural population is part of a concerted drive to increase agricultural production by wooing the farmer. Until recently the regime controlled consumption by keeping prices of consumer goods at a level comparable with the supply; prices were kept high enough to limit purchases of consumer goods in proportion to the volume of merchandise made available for internal consumption. Lately, however, the New Course program has included price reductions, and this will necessarily increase consumption. It follows that more goods will have to be put on the market. The situation was aptly summed up by Laszlo Nemes in his February 9, 1954 *Szabad Nep* article:

"We can bring about a steady rise of living standards only by the constant development of production. It is a sign of narrow mindedness to imagine that the raising of living standards is only a matter of prices and wages. It is true that the lowering of prices is an important means of improving living conditions. However, no reduction in prices can assure a substantial improvement in the standard of living if it is not backed by a satisfactory stock of goods. The Socialist state can cut prices only if there is an adequate stock of goods to satisfy the increased buying power of the people; if no such stock exists, the demand will be greater than the supply. Therefore, the raising of living standards must be based on an increase in agricultural production and greater ambition on the part of the agricultural worker. Granting more assistance to the collective and independent farmer, and providing a better basis for more trade on the free market, are incentives to the peasant to develop his farm and to produce more, thereby creating a more plentiful supply of goods in the country. This course increases the wellbeing of the peasants and leads to a considerable rise in the living standard of the industrial laborer."

"Why do I cost so much?" — *The Adventures of a little Saw.*



... because I am made into an inadequate machine



... because I am made from bad material



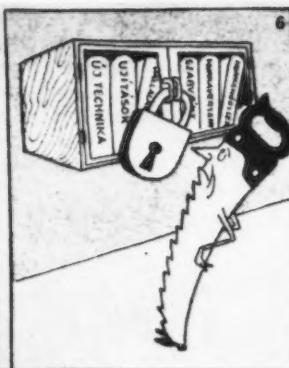
... because this loitering makes me more expensive



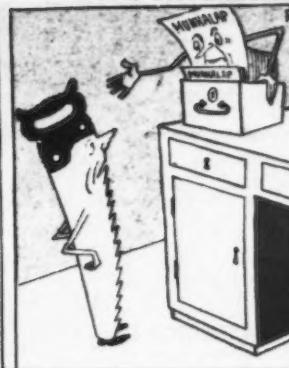
... because this, too, is taken from my time



... because I am lucky to have survived at all (Inscription on box reads REJECT).



... because nobody reads these books in our plant (Books on shelf are on innovations, new techniques, etc.)



... because the work sheet is often delayed



"This saw costs 480 forint. Why is it so expensive? Look at the seven pictures!"

Ludas Matyi (Budapest, May 7, 1954)

In his May 24 speech, Rakosi admitted that "although there are considerably more goods available to the people than last year, we are still unable to satisfy all needs." (Radio Budapest, May 24, 1954). He revealed that though a greater number of these items have been put on the market as compared to last year, there is still a lack of furniture, building materials, and motorcycles. Similarly, a March 30 *Szabad Nep* editorial stated that, though production plans were being fulfilled and even overfulfilled in several cases (the paper reported, for instance, that there was no shortage of tableware or coal shovels), it was still difficult to buy cooking ranges, wash basins and caustic soda. The article also disclosed that the "radio factories have not fulfilled their plan commitments," and that, in general, factories had fallen behind schedule regarding articles pledged over and above the plan commitments. The paper commented that one of the principal reasons certain consumer goods were in short supply was that factory managers concentrated on the overall plan fulfillment by

the end of each quarter. "This practice," it stated, "is encouraged by the Ministries, which check the factories' plan fulfillment from only one aspect—the value of the output in *forints*." The article continued:

"It is on this basis that factory managers receive their bonuses. It may be that these factories have fulfilled their overall plans as regards the aggregate value of production, but this practice does not eliminate shortages in certain articles. *Workers who are unable to use their motorcycles because they cannot purchase a generator find no comfort in the fact that more washing machines were produced than had been envisaged in the plan. Consumers should be provided with sufficient supplies of every article of consumption.*" (italics added)

The editorial also ascribed present difficulties to the fact that many factories, particularly those in the engineering industry, were apathetic to consumer goods production:

"Most factories keep silent about their plan commitments in consumer goods production. It is high time the engi-

neering industry recovered from this old ailment. . . . The production of consumer goods involves, as a rule, only relatively small expenditure in those factories whose main commitments remain the manufacture of the means of production and capital goods. Very often, therefore, these factories relegate the production of consumer goods to the background. This shows that they belittle this type of production and do not understand its great significance. Every factory pays lip service to the production of consumer goods, but these words have not yet become the life blood of industrial managers. *This disparagement of and resistance to the production of consumer goods—an attitude still prevailing in the iron industry—must be overcome. This is not only one of the many economic tasks, but it is also a problem of political importance. . . .** (italics added.)

What is the present situation with respect to the production of consumer goods? The answer seems to be that, though production has increased considerably in the last few years, the effort has not been as great as planned. In many instances, the original goals under the Three and Five Year Plans were so patently unrealistic that they were probably meant to serve primarily as propaganda stunts. The provisions of the Modified Plan in many instances are much more realistic, but in view of acknowledged difficulties in implementing the New Course program, it is doubtful whether even the new and, in some cases, reduced targets will be reached.

The utopian character of the old plans is illustrated in the chart on p. — with respect to cotton textiles. Thus, under the Three Year Plan, the 1949/50 goal was set at 250 million square meters, but actual production in 1949 amounted to only 167 million square meters. Four years later, production for 1953 was reported as only 209 million square meters, and when the regime revised its plan at the inception of the New Course, it set a goal of 220 million square meters for 1954. This figure is 20 million below the goal projected under the original Five Year Plan and 30 million under the 1949/50 Three Year Plan target!

In other instances the regime apparently feels that instead of reducing targets to conform to production possibilities, it is necessary to raise goals even higher to spur output. This seems to be the case with leather shoes. Here, the original Five Year Plan goal has been raised substantially. It is highly doubtful, however, whether the results foreseen by the regime can be achieved. What is called for in an increase of nearly 50 percent (amounting to four million pairs) within one year. Considering that the livestock situation is extremely bad and that 1953 production was lower than in the previous year, the "modified" plan will probably have to be changed once again for this commodity. As far as the production of industrial consumer goods is concerned, the regime will have to reverse the past trend in order to meet this year's target. Indications are that, with the exception of motorcycles, production in 1953 was below that of 1952.

Although consumer goods production has shown substantial increases during recent years, this does not mean

* See page 50 for subsequent ministerial reshuffle.

that the amount of consumer goods available for popular consumption has increased commensurately, since a considerable portion of the consumer goods produced are exported to the Soviet bloc and the Free World. According to *International Trade Statistics 1938* (Geneva, 1939) Hungary exported \$2.9 million worth of textiles and yarns in 1938, while she imported \$4.5 million worth. In 1952 this situation had been radically altered and she exported \$10 million worth to the Free World alone, while importing only \$5.2 million (*Free World Imports from Soviet Bloc Countries, 1952* [Washington], December 1953). In addition, Hungary's exports of cotton textiles to the USSR are known to be substantial. As previously stated, in the immediate postwar period, under a processing agreement, it amounted to nearly 50 percent of Hungary's total production.

Sugar exports have also increased considerably since before the war. For example, in 1938 total sugar exports amounted to \$0.1 million, while those for 1952 to the Free World countries alone were valued at approximately \$6.5 million. In both periods, sugar imports were negligible.

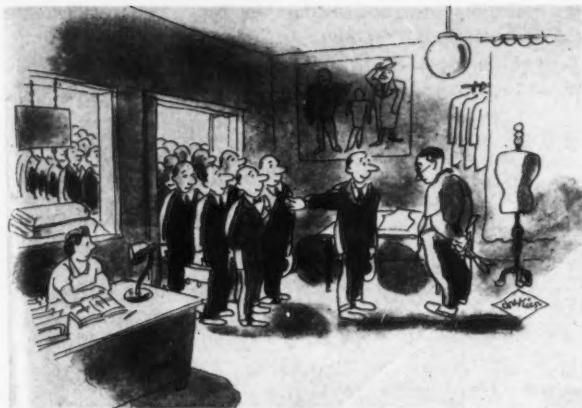
It is true that prices have increased appreciably since before the war, but the 1952 value of exports, in the case of sugar, has risen so substantially that a price increase could only be responsible for a small percent of the overall increase in value. Similarly, in the case of textiles, the value of exports relative to imports has risen so much since the prewar period that price increases are accountable for only a small portion of that rise.

Quality

In his May 24 speech Rakosi declared: "We cannot be satisfied with the results of our endeavor to increase the quality of consumer goods. . . ." The problem of poor quality goods has been plaguing the Communist regime for years, for qualitative production has been consistently sacrificed in favor of quantitative output. For instance, in the October 1953 issue of *Magyar-Szovjet Kozgazdasagi Szemlo* (Hungarian Soviet Economic Review), a Dr. Erzsébet Jakab, in discussing the development of the Hungarian textile industry, admitted that for years cotton fabrics had been thinly woven: "In 1952, when the supply shortage was becoming less acute [Hungarian industry] began to eliminate this error by cutting down on quantity, so that we were able to produce better fabrics; so much so that the thread count in cotton fabrics currently produced is about 15 percent higher than in 1951." He continued: "During the first part of 1953 [the textile industry] produced a small quantity of so-called 'quality' fabrics containing a much higher thread count. But . . . there is still plenty of room for improvement. . . . The only type of quality hose produced is made of imported rayon thread, which still disappoints our working women."

Jakab stressed that poor quality production in the textile industry resulted partly from an inadequate supply of basic materials. He stated:

"For years [Hungarian] cotton imports were badly organized with respect to both quantity and quality. There



Title: Some of our service centers avoid supplying individual clients, preferring standardized production.

Caption: "And would you like to make suits for us? We are all of the same size. . . ."

Szpilki (Warsaw), October 3, 1954

were times when only good quality cotton was in stock and it had to be used in the production of low quality products. On other occasions [the industry] was forced to use low-quality cotton for products which were supposed to be of better quality, so that these products suffered both in appearance and durability. For example, last September we had to convert our cotton mills because they were expected to use only low quality cotton for one month. In addition to the initial deterioration of quality, this conversion caused a complete disruption of production methods. . . ."

Another reason for the poor quality of consumer goods articles, according to Pal Rubinyi (Chief of the Finance and Goods Department of the Ministry of Internal Trade) in an interview over Radio Budapest, Nov. 2, 1954 is that "the mechanism of the national economy, developed in the old era before June 1953 . . . has not yet been transformed in accordance with the new requirements." In other words, "better quality requires more work and particularly more careful work on a given article, but the wage system does not take this into consideration." He continued:

"If, for instance, a manager intends to increase the number of movements in the production process for the sake of better quality, he cannot fulfill his production plan and on top of this he exceeds his wage fund. To illustrate how the question of quality is being relegated to the background of the wage system, one need only mention the quality controllers in the clothing industry, who receive their payment in accordance with plan fulfillment. It is in their interest, of course, to pass substandard articles."

The conflict between qualitative and quantitative production was also discussed in the March 30, 1954 *Szabad Nep* editorial:

"Production of consumer goods was very slow and protracted during January and February. Only just now, in the last few days of the quarter, is an effort being made to compensate for the lag by shock work. It is because of this shock work practice that the quality of consumer goods is often inferior. Of course workers often have no choice but to buy such articles, but we cannot agree to this. Workers

are justified in demanding well-finished and durable goods. Articles produced by the iron industry do not always stand this test. . . . The industry should create closer contact with the distributive trade. It should aim not only at a numerical fulfillment of the plans, but also at satisfying the consumers from every point of view."

Further criticism appeared in Saghy's June 1954 article. The Communist economist bluntly stated that "the quality of consumer goods is not good enough." Giving specific examples, Saghy mentioned that "radio sets sent to the cooperative stores are usually faulty, zinc plated kitchenware is poorly finished and enamel pots are generally made of thinner plate than prescribed." Saghy also pointed out that "Kolkhoz members and independent farmers will be unwilling to market their produce if they cannot in turn buy high quality goods."

It is true that the regime has attempted to remedy the situation with a law controlling the quality of industrial products.* This law, however, was put into force in July 1953, and the above complaints were made during the first half of 1954. Obviously little improvement has taken place over the past year.

Variety

Recent speeches and articles of the Hungarian Communist hierarchy have also dwelt on the problem of widening the choice of consumer goods. For example, Minister of Light Industry Arpad Kiss revealed in *Szabad Nep* of July 29, 1953 that although general conditions in the clothing industry have improved considerably, there is no choice in ready-made clothes. He said that "almost all the workers who bought new coats recently wear coats of the same style and color in spring and fall." Kiss told the designers to increase the number of styles.

Variety in consumer goods production was also discussed by Premier Nagy in his January 23, 1954 speech. His remarks clearly show that the regime is now desperately trying to solve a dilemma basic to Communist organization: how to reconcile planning from above with popular demand from below. In pre-New Course days this problem was largely ignored because the people's needs were disregarded if they did not coincide with long-range plans. At present, however, the Communists need the people's cooperation in rectifying long-neglected, fundamental economic disproportions. Regime survival may depend upon the success of this effort, and that is why it must now partly cater to the people's tastes, needs—and on occasion even

* According to the July 28, 1953 *Szabad Nep*, "the decree provides that only goods of flawless quality may be sold to the consumers at officially set prices. In cases of deficient merchandise, the flaw as well as the appropriate reduction in price must be marked. . . . The decree [also] provides that merchandise intended for long use be guaranteed . . . the consumer must receive a written guarantee that if the merchandise goes out of order, it will be repaired free of charge within a specified time. . . . The manufacturer must assume responsibility for the quality of the merchandise, quality must be checked before the merchandise leaves the factory and before it is taken over for sale by the merchant . . . for poor quality work products, the workman is to be paid a wage reduced in proportion to the flaw . . . while for outstanding achievements in improvement of quality, workmen are to be granted awards. Violators of this decree will be subject to legal action."

whims. But since these long-suppressed popular wants often run diametrically counter to regime plans and interests, Communists in administrative positions do not know which way to turn.

Nagy said that "the variety of goods must be improved, and trade enterprises should therefore have a say in the choice of goods provided by the manufacturing industry." The Premier explained that "the aim is to protect the consumer's interests starting with the original planning, through manufacturing and right up to the actual sale of goods." The Premier failed to explain how ever-changing popular tastes will affect, influence or change the elaborate Communist planning mechanism.

Programming

In the past six months, the regime has issued precise figures on the expansion of consumer goods production. Some of the goals, previously discussed, appear in absolute figures in the chart on page 26. Other goals (for clothing and textile foods) were given in percentage of increase by Szalai over Radio Budapest, January 22, and by Minister of Light Industry Arpad Kiss, Radio Budapest, May 26.

Compared to 1953, this year's production goals call for the following increases (percentage of increase in parenthesis): cotton textiles (7.5); woolen textiles (35.0)*; cotton stockings (43.0); men's suits (74.5); men's shirts (54.0); footwear (22.0); knitted goods (16.0). It is interesting to note that no 1953 plan results were given for any of these items with the exception of cotton textiles which showed a 2.7 percent decrease under 1952, leather footwear which showed a 6.5 percent decrease, and knitted goods which allegedly increased 11.7 percent over 1952.

The regime's program also calls for the expansion of industrial consumer goods production. The following 1954 goals were presented by former Minister of Metallurgy and Machine Industry Mihaly Zsophinyecz (Radio Budapest, February 15, 1954). According to Zsophinyecz, "the plan envisages, among other things, the production of 63 thousand cast iron stoves, 118 thousand cooking stoves, three thousand electric cooking stoves, 130 thousand electric irons, and a number of refrigerators."** In terms of demand these goals cannot be considered over-ambitious, since the population of nine and one-half million has long been almost totally deprived of industrial consumer goods. But even if the effort is successful, these goals mean that only one cooking stove will be produced for every 805 persons, one electric cooking stove for every 3,167 persons, and one electric iron for every 731 persons.

Following are the projected 1954 indices (1953-100) for the food industry, as presented in *Statisztikai Tajekoztato*, No. 1, 1954: flour (105.4), hulled rice (175.5), milk (109.1), butter (140.4), cheese (144.7), sausages (110.6), salami (119.0), edible oils and fats (122.1), slaughtered

* In his January 26 speech, Szalai gave the envisaged percent of increase for woolen textiles as 27 percent. However, this figure was raised to 35 percent in Ronai's May 26 speech.

** Goals for motorcycles, bicycles, sewing machines, and radio sets were presented in the chart on page 26.

and frozen poultry (151.9), candy (122.2), chocolate (162.5), rum and brandy (125.2), liquor (111.9), frozen foods (106.1), soap (117.5), canned vegetables (139.1), tomato paste (198.2), dehydrated vegetables (193.5), canned sauerkraut (181.3), and red pepper (146.5).

Industrial Facilities

To increase production of consumer goods, the regime must expand plant capacities and facilities. The original Five-Year Plan called for the establishment of 20 new textile and clothing plants, two plants in the leather, shoe and rubber industry, 71 plants for the agricultural processing industry. The following are plants established or expanded since the Plan was initiated. In the textile field, a new mill was built at Kaposvar (1951 Plan report), and the mill at Kobanya was expanded (1953 Plan report); a clothing factory was established at Zalaegerszeg (1951 Plan report), while the plant facilities at Szekesfehervar were expanded (1953 Plan report). In the leather industry, the leather factory at Pecs was expanded (1953 Plan report), as was the Tisza shoe factory (1953 Plan report).

In the food industry, the following facilities were added: refrigeration plants at Gyor (1953 Plan report), Debrecen (1953 Plan report), Szeged (1951 Plan report), and Kecskemet (1951 Plan report). On September 5, 1953, *Magyar Nemzet* reported that 36 million forints were invested in the construction of the Gyor plant. It stated that, with the establishment of this plant, the prewar cold storage capacity of the country had doubled. The article also revealed that another plant is currently under construction at Kaposvar. Further, plans are now underway for the construction of an even larger refrigeration plant at Miskolc, and others are planned for Bekescsaba and Szekesfehervar. On December 29, 1953 *Nepszava* reported that in conjunction with a meat processing plant, a new refrigeration plant was currently under construction at Ozd. It also announced that the slaughter house at Keszthely was to be modernized. Previously, the only reported additions to the meat industry was the establishment of a meat processing plant at Pecs (1951 Plan report).

For the dairy industry, a creamery at Szolnok (1952 Plan report), and a dairy at Zalaegerszeg (1953 Plan report) have been added. *Magyar Nemzet* of December 1, 1953 announced that construction of a dairy at Mateszalka is to be hastened, while the cheese factory at Vemend and the dairy at Szeged were to be expanded. Similarly, the December 29, 1953 *Nepszava* revealed that a Debrecen branch of the Hajdu county dairy plant, with a 25 thousand liter daily milk processing capacity, was planned. The article also stated that a cheese factory with an envisaged annual capacity of 1,440 metric quintals (144 metric tons) is planned for Gonc.

In the baking industry, the following expansion of facilities has taken place: new bread plants have been established at Szatralinvaros (1951 Plan report), Veszprem (1953 Plan report), and Oroszlany (1953 Plan report). In addition, *Nepszava* announced on November 13, 1953 that a new bakery had been established at Marcali, and the

one at Dombovar expanded by the addition of several new ovens. On December 1, 1953 *Magyar Nemzet* disclosed that construction of a bakery at Ozd was being accelerated, and that the facilities at the Mohacs bakery were to be expanded.

It is interesting to note that *Magyar Nemzet* of September 5, 1953 reported that the control of bakeries had recently passed over to the Ministry of Food Industry. Previous control had rested with the National Federation of Cooperatives in rural areas, and with the City Council in Budapest. No doubt this administrative centralization was done to facilitate the planned mechanization. Plans call for a 100 million *forint* investment to carry out this program.

These reports show that as far as the textile and clothing industry are concerned, only two new factories have been established, while two others have been expanded. This is a far cry from the 20 new plants envisaged under the Five-Year Plan. Moreover, the Plan called for 71 new plants in the food processing industry. As far as can be ascertained, the following is the score box for the food processing industry in the Plan period: new plants established—12, new plants under construction—5, new plants envisaged—5, plants expanded—1, planned plant expansion—15.

Internal Trade

All internal trade in Hungary is under direct supervision of the Ministry of Domestic Trade. The Ministry is divided into different departments, which in turn control specific branches of commerce. Each branch is headed by a wholesale enterprise which buys products or industrial goods from the producer and channels the merchandise to its own retail shops. For example, the *Viragert* wholesale enterprise is responsible for the distribution of flowers, the *Kozert* for food, and the *Ojolert* for optical and photographic supplies. In addition to its own network of retail shops, each of the enterprises supplies merchandise to the large urban department stores.

Although 99 percent of the retail trade turnover currently falls within the Socialized sector, only 70 percent of the Socialized retail trade network has been nationalized directly.* The other 30 percent—Cooperatives—come under the jurisdiction of the National Federation of Cooperatives, which, though nominally independent, is also subordinated to the Domestic Trade Ministry. The Federation is administered geographically, with an office in every county. The Federation's stores, operating only in rural areas, are supplied through their county depots, which in turn purchase their supplies from the wholesale enterprises.

In addition to being directly under the administration of the Domestic Trade Ministry and its subordinate organs, all stores are simultaneously supervised by the local councils. In some cases, these councils manage certain stores in behalf of the Ministry. For example, the Budapest city

* In his May 24, 1954 speech, Rakosi revealed that there were during January 1954 "almost 60 thousand small traders [craftsmen, etc.] and 4.6 thousand independent shopkeepers."



Title: The Correct Answer.

Caption: Question and answer at an examination on retail trade conducted by the Ministry of Internal Trade: "What do you do if the customer asks for children's socks?" "I give him the complaint book."

Esti Budapest, July 27, 1954

council operates a chain of several hundred retail enterprises including real estate agencies, restaurants, motion picture theatres and hotels.

Special types of retail establishments (that is, those not run by the wholesale enterprises) within the Socialist sector, are the following:

1. Department stores. The larger ones are located in Budapest, while the smaller types, similar to our general stores, are located in the rural areas.
2. Model stores. These sell a variety of quality goods; because of their higher price range, they cater principally to the Communist hierarchy and the managerial class.
3. Reject stores. These sell sub-standard items at a price below the prevailing average.
4. Commission shops. These deal in second-hand goods (usually jewelry or other valuables) on consignment from private individuals.
5. Trading markets. They are located either in the open or in large buildings, where farmers, small tradesmen and private individuals trade produce and merchandise (similar to our flea market except that the prices are fixed).
6. Branch outlet stores. They are operated by factories or kolkhozes; particularly prevalent in urban areas such as Budapest.

The chart on p. 25 traces the development of socialized retail trade in Hungary. It should be noted that the height of nationalization took place during the six month period from the fall of 1950 to the spring of 1951. The tremendous increases in retail goods turnover in the Socialized sector recorded during 1950 and 1951 was therefore mainly the result of nationalization rather than an overall increase in turnover. As far as 1951 is concerned, the overall goods turnover (Socialized and private trade) probably decreased rather than increased. This is indicated by the fact that no overall increase was presented, and that the increase in

goods turnover reported for the Socialized sector was not proportionate to the number of new stores added.

Shortcomings

That the regime is far from satisfied with the activities of the internal trade sector is apparent from the various Plan reports during recent years. It is interesting, for instance, to note that no overall increase in goods turnover was given in the 1952 Plan report. Instead, the report announced (*Hungarian Bulletin*, February 1, 1953) that "there were still some shortcomings in efforts of the retail trade organizations to supply the population with commodities." The report added that "the regional distribution of goods was not always satisfactory," and that "in several places the serving of consumers was inefficiently organized and the demands of the working people were inadequately observed." Similarly, the 1953 Plan report (*Hungarian Bulletin*, February 20, 1954), although claiming a 10.2 percent increase in goods turnover, reported that: "The chain of retail shops did not expand in proportion to the greater volume of trade and there are, above all, too few food stores. [Hungarian] trade needs to make further efforts to supply the population well."

The inadequacy of the retail trade network was pointed up in the fourth quarterly issue (1953) of *Statistikai Tájekoztato* (Budapest). This publication, in an attempt to show why the establishment of new stores was necessary, presented a statistical summary, reproduced below:

Number of persons dependent on one store.

Type of Store	Budapest	Miskolc	Debrecen	Szeged	Pecs	Gyor
grocery store ...	1,339	956	1,191	1,061	1,218	808
butcher shop ...	2,934	1,786	3,111	4,095	1,857	2,200
dairy	2,744	3,758	7,473	—	2,363	3,437
vegetable store ...	4,532	3,303	18,666	7,817	2,052	2,500
clothing store ...	16,500	4,739	—	—	—	6,111
hardware store ...	21,645	15,571	18,666	12,285	11,142	9,166

The shortage of retail stores is particularly critical in the rural areas. Moreover, cooperative stores are inadequately supplied. The current situation in the cooperative trade sub-sector was inadvertently disclosed recently, in a speech by the National Federation of Cooperatives' General-Secretary, Arpad Degen (*Szabad Fold*, April 11, 1954). He revealed that the "turnover of cooperative retail trade had increased up to the end of last year [1953] to more than twice that of 1950." This means that the index for the end of 1953 of retail goods turnover for the cooperative sub-sector (1950=100) was equal to approximately 200, or an increase of slightly more than 32 percent during the two years 1952-1953. This is indicated from the 1951 plan report (see chart, page 25), which revealed that at the end of 1951, the turnover of goods

within the cooperative sub-sector already exceeded that for 1950 by 68 percent. It is interesting to note that this relatively small increase took place, despite the fact that during 1952, 990 new stores were added to the cooperative sub-sector, while 280 additional stores were added during the latter part of 1953.

One of the prime functions of the cooperative stores was to replace the independent retail tradesman. That this aim has not been achieved was stressed by Saghy in his June 1954 *Tarsadalmi Szemle* article:

"The elimination of privately-owned retail trade in the rural areas was not followed by the creation of a satisfactory Socialist trade organization, and, as a result, the number of stores [in the rural areas] has dropped considerably. Consequently, the peasants, particularly those living on distant farms, had to travel great distances in order to obtain their supplies. The situation was further aggravated by poor service in the existing stores. . . . The standards of local trade in rural areas have shown little progress from the sanitary standpoint or as regards the quality of service. No attention was paid to the fact that the requirements of the rural population have greatly changed since the liberation; this is reflected by their increased demand for cultural goods, such as radio sets, books, etc. Faulty distribution, in addition to causing a shortage of specialized goods required by the rural areas, has caused a shortage of other necessary consumer items. Consequently, the rural population was forced to obtain certain goods in the city and this took up a good deal of their valuable time."

The problem of internal commerce in the rural areas was also discussed in a January 9, 1954 Radio Budapest broadcast. The speaker declared that in accordance with the government program, "particularly great attention must now be paid to the movement of rural trade." He continued.

"In the near future trade relations between town and countryside must develop far more rapidly. The larger the amount of rural high-demand articles sent by Socialist industry to village shops, the greater will be the value of the *forint* in the working peasant's eyes, and the greater will be his interest in higher production. Expansion of village trade is, therefore, a vital question."



PUNKT ODNALEZC USŁUGOWY TO PROBLEM KILOMETROWY
Caption: Finding a repair shop poses a seven-league problem.
Szpilki (Warsaw), August 8, 1954

Growth of Socialized Retail Trade¹

	% Goods Turnover "Socialized Sector"	Increase in Goods Turnover			Total Number Stores	New Stores Added	
		Total	State Stores	Coops		State Stores	Coops
Aug. 1947.....	3	—	—	—	—	—	—
Dec. 1949.....	30	—	—	—	7,000	—	—
Dec. 1950.....	50 ²	170.9 ³	190.2	119.5	14,995	4,685	3,310
Dec. 1951.....	82	—	51.0	68.0	18,914	2,678	1,241
Dec. 1952.....	99	—	—	—	23,713	3,819	990
Dec. 1953.....	99	10.2	—	—	—	—	— ⁴
Plan 1954.....	—	19.0	—	—	—	1,500 ⁵	638 ⁶

¹ Sources: *Nepszava*, Feb. 5, 1950, *Szabad Nep*, Dec. 18, 1950, Jan. 23, 1951, Feb. 27, 1951, May 25, 1954, *Hungarian Bulletin*, Feb. 1, 1952, Feb. 1, 1953, Radio Budapest, Jan. 22, 23, 26, 1954.

² Given as more than 50%. In *Szabad Nep*, Feb. 27, Rakosi announced that 70% of retail trade turnover was in the "Socialized sector." *Szabad Fold*, April 14, 1954, reported that in 1950 cooperative trade handled 10.7% of all retail trade.

³ Increase in goods turnover for all retail trade was 18.8%.

The importance of the proper functioning of internal trade was emphasized by Matyas Rakosi in his May 24 speech:

"Our party organs and leading economic organs must always bear in mind that, under our conditions, trade is an important link in the chain of building up Socialism, and an indispensable means for the improvement of the working people's living standard. However, trade will only be able to fulfill this important task if it submits its work to the working people's mass control: if it carries out its work subject to consumer criticism, if it studies consumer needs more carefully, if it secures a more systematic distribution of goods, if it serves the consumer more carefully—in other words, if it will work according to new methods."

The Free Market

The free market in Hungary is today an integral part of the overall distribution network. Although Rakosi revealed in his May 24 speech that the contribution of the individual small [non-producing] trader to the country's national income amounted to only 0.7 percent, and that he accounted for only one percent of the total retail goods turnover, his importance, particularly in food distribution, cannot be minimized. It must be borne in mind that the free market serves a dual function: in addition to providing the urban population with a considerable portion of its consumer goods, it also tends to encourage the independent farmer to produce more.

The position of the free market in the country's economy was recently defined by Lajos Kadar in a mid-September, 1954 Radio Budapest Broadcast: "Next to the State and cooperative sector, there also still exists a small trade sector, and what is more a capitalist sector. Today the majority of consumer goods are still produced on the individual peasant farm. Therefore, supplying the cities with consumer goods and agricultural raw material depends to a great extent on the small producer."

⁴ *Szabad Nep*, March 31, 1954, reported "during the second half of 1953, 280 new coop stores were established, while during the first part of this year, 155 began operations."

⁵ Nagy announced that "1,500 new shops will have to be opened during 1954" (Jan. 25, 1954 address).

⁶ Projected coops will consist of: 400 general shops, 15 department stores, 14 textile stores, 209 specialty shops, and 180 food shops.

The significance of the independent sector was also emphasized by Saghy in his June article: "The free market is an important source of supplies for the cities. Its significance is shown by the fact that during 1954, 35 percent of the non-producing [non-farming] population's egg needs, 40 to 50 percent of their poultry, 25 percent of their pork, and 40 percent of their milk requirements will be covered by the free market . . ." Similarly, Lajos Feher, editor of *Szabad Fold*, revealed in the August 3, 1954 issue of *Szabad Nep* that "in May [1954] approximately 75 percent of Budapest's poultry and fruit consumption, and about 50 percent of its consumption of green vegetables were covered by the free market."

Both Saghy and Feher defended the free market (against attacks that it was capitalistic in nature) from the standpoint of controlled prices. Saghy declared that "the market in the People's Democracies is basically different from that in capitalist states. . . . The capitalist market is characterized by the free fluctuation of prices. In our people's democracy, the State has been increasingly assuming the role of regulating the market, one of the absolutely essential conditions under our new economic policy. The systematic raising of the workers' living standard would not be feasible without the State's regulating influence on the market, for without it, the standard of living would depend upon the freely fluctuating prices, effected by the rules of supply and demand. . . ."

Feher attacked "left-wing" theoretical Communists who were against the free market in these words: "Persons who look upon the free market as a source of profiteering, and therefore fight against it are incorrect. The free market becomes a black market only if individuals try to achieve prices providing undue profit, as happened in the case of pork. Of course, we must fight against that. However, it would be a grave mistake to turn the fight against profiteering into a fight against the free market. This would seriously damage city supplies and would adversely affect and perhaps even destroy the worker-peasant alliance."

CHART I **Development of Industrial Production¹**

	Total Production			Heavy Industry Production			Light Industry Production			Food Industry Production			
	Index (1938 =100)	Index (1949 =100)	Value	% of increase over prior year			% of increase over (1938 =100) prior year			% of increase over (1938 =100) prior year			
				Index (1938 =100) =100	Index (1949 =100) =100	Value	Index (1938 =100) =100	Index (1949 =100) =100	Value	Index (1938 =100) =100	Index (1949 =100) =100	Value	
1938	100.0	—	13,556.7	100.0	—	—	5,341.3	39.4	100.0	—	—	5,368.5	39.6
1946	37.2	—	5,043.4	56.9	—	—	3,039.2	60.3	21.7	—	—	1,165.0	23.1
1947	74.6	—	10,116.1	92.1	—	61.9	4,919.3	48.6	62.2	—	186.6	3,339.2	33.0
1948	102.9	—	13,951.3	124.4	—	35.1	6,644.5	47.6	86.4	—	38.9	4,638.4	33.2
1947/48 Plan	88.0	—	11,932.9	—	—	—	—	—	—	—	—	—	—
1948/49 Plan	108.5	—	14,702.4	—	—	—	—	—	—	—	—	—	—
1949/50 Plan	127.0	—	17,163.8	—	—	—	—	—	—	—	—	—	—
1949	137.5	100.0	18,640.5	166.3	100.0	33.7	8,779.7	47.1	115.1	100.0	33.2	6,114.7	32.8
1950	188.8	137.1	25,559.5	224.4	136.5	36.5	11,987.4	46.9	150.4	132.1	30.7	8,076.8	31.6
1951	246.3	181.9	33,902.0	317.4	193.1	41.4	16,951.0	50.0	194.5	170.8	29.3	10,441.8	30.8
1952	309.0	224.7	41,890.3	417.2	253.8	31.5	22,285.6	53.2	213.8	187.7	9.9	11,477.9	27.4
1953	343.7	250.0	46,594.4	491.1	298.8	17.7	26,232.6	56.3	212.6	186.7	0.53	11,415.6	24.5
1954 Original Plan	256.3	186.4	34,745.9	335.8	204.3	—	17,936.9	51.6	194.4	170.7	—	10,436.7	33.3
1954 Accelerated Plan	508.8	370.0	68,969.9	631.9	380.0	—	33,362.9	48.4	—	—	—	224.0	170.1
1954 Modified Plan	359.2	261.2	48,691.1	481.3	292.8	2.03	25,707.9	52.8	246.7	216.6	16.0	13,242.1	27.2

¹ Sources: *Statistikai Tajkozat*, No. 2, 1934; Radio Budapest Dec. 6, 1949, Jan. 22, 1954; *Magyar Nemzet*, Dec. 10, 1949, May 17, 1951. Values in 1946/47 forints as in the *Three-Year Plan, Hungarian Bulletin*, 1947.

² The UNRRA mission to Hungary reported that the value of 1938 food industry production was 30% of the total industrial production. This was substantiated by post-war Hungarian statistics which would tend to moderate the expansive 1953 production figures for % of decrease.

CHART II

Production of Selected Consumer Goods¹

Commodity and Unit	Three Year Plan Goals			Average Production			Original Plan			Accelerated Plan			
	1938	1946	1947	1947-48 1948-49 1949-50			1948	1949	1950-53	1952	1953	Goal	
				1948	1949	1950							
Cotton textiles (million m ²)	147.9 ²	64.7	125.7	140.8	215.0	250.0	167.0 ³	167.0 ³	214.84	209.0	240.0	91.0	
Woolen textiles (million m ²)	20.0 ²	3.5	9.8	14.4	18.0	21.0	17.5 ³	—	—	—	40.0	10.9	14.0
Silk textiles (synthetic) (million m ²)	40.0 ²	5.6	9.2	—	12.0	17.0	—	—	—	—	—	—	—
Leather shoes (million pairs)	6.0 ⁵	0.5	2.9 ⁵	4.0	4.2	5.6	6.4	—	—	—	—	—	—
Paper (thousand tons)	49.6	23.0	40.4	53.9	38.0	50.0	60.0	72.1	—	—	—	4.4	—
Bicycles (thousands)	—	—	—	—	80.0	100.0	120.0	156.0 ⁶	175.0	—	—	28.1	—
Motorcycles (thousands)	—	—	—	—	4.0	5.0	6.0	12.0	12.5	12.5 ⁴	200.0	—	—
Radio sets (thousands)	—	—	—	—	—	—	—	—	150.0	14.3	23.0 ⁸	—	—
Sewing machines (thousands)	—	—	—	—	—	—	—	—	25.0	—	155.5	100.0 ⁷	—
Sugar (thousand tons)	102.0 ⁹	61.710	—	—	129.0	130.0	145.0	144.4	—	179.9	—	24.0 ⁷	—
Soap (thousand tons)	14.3	—	7.1	—	10.0	18.0	22.5	—	—	—	—	13.0	—

¹ Sources: Radio Budapest, Jan. 22, Feb. 15, and May 26, 1954; *Magyar Statisztikai Zsebkonyv* 1948; *The Hungarian Three Year Plan*, 1948; *Le Plan Quinquennal de la République Populaire Hongroise* (Budapest) 1950; *Bulletin of the National Bank of Hungary* (Budapest) Jan.-Feb., 1948; *Hungarian Bulletin*, March 16, 1951; *Esti Budapest*, May 15, 1953.

² 1938 production figures in *The Hungarian Three Year Plan* for cotton textiles was 185 million square meters. L. D. Schweng in *Economic Planning in Hungary Since 1938* (New York) 1951, gives 168 million square meters as the 1938 figure. Schweng states this figure adjusted because of some double counting. Official figure by the *Bulletin of the National Bank of Hungary*. Bank's figures for 1938 production of woolen (Footnotes continued on bottom of next page)

The above statements indicate that, at least for the moment, the regime is placing a considerable amount of emphasis on the free market. One need only examine figures on the increased supply of consumer goods on the free market over the past year (July 1953-June 1954), to realize how much the free market has grown since the inauguration of the New Course program. Feher revealed that the free market supply increased during this period (percent of increase in parentheses) as follows: meat (403.8), live poultry (120.4), fresh-killed poultry (188.4), milk and dairy products (78.5), eggs (189.8), potatoes (390.7), green vegetables (189.4), fresh fruit (192.1), dry vegetables (373.8), fats (2,152.8).

Patterns and Conclusions

It is apparent that, under the New Course, the regime is placing considerable emphasis on consumer goods production. Agriculture and the food industry are also being emphasized, and heavy industry is being slightly curtailed. Plant managers are now being pressed to take into consideration the needs of the consumer, instead of concentrating on making good production records for themselves.

Although consumer goods production has gone up, there has also been an increase in the number of consumers, as well as in consumer goods exports. The great emphasis on industrialization of the past years has added substantially to the urban population, bringing to the city many rural workers who formerly produced consumer goods. Further, many consumer goods formerly obtained from the West are no longer imported, and must be produced internally. It must also be remembered that the 1954 New Course level for most consumer goods, regime propaganda notwithstanding, is still below the level envisaged for 1954 under the original Five Year Plan.

In recent years, retail trade has been neglected. Some improvements will doubtless take place, considering the very low level to which these services have fallen. The role of the small trader and the free market will be extremely important in increasing both the production and distribution of consumer goods.

Footnotes of Chart II continued)

6 Wool and synthetic textiles used. The Hungarian Three Year Plan gives 1938 production level of woolen textiles as 14 million meters and of synthetic silk textiles as 16 million meters. Assumed that the National Bank's figure includes the natural silk production as well as synthetic silk.

7 The Five Year Plan of Hungary gives 1949 production of cotton textiles as 160 million square meters, wool textiles as 25 million square meters, and shoes as six million pair. Figures in this book, published during 1949, were refuted by Rakosi in his May 14, 1954 speech before the 3rd Congress of the Hungarian C.P.

8 Figures computed from % increase given in 1953 Plan report.

9 Figure for all types of footwear.

10 Figure for 1950.

11 Figure is annual average production planned for 1950-54.

12 Annual average planned production (1950-54) for motorbikes was 17 thousand units.

13 Figure for economic year 1937/38.

14 Figure for economic year 1946/47.

CHART III	Total Production				Heavy Industry				Light Industry				Food Industry				Consumer Goods Industry ²			
	Original Number		Revised Number		Original Number		Revised Number		Original Number		Revised Number		Original Number		Revised Number		Original Number		Revised Number	
	% In-crease		Index		Index		Index		Index		Index		Index		Index		Index		Index	
1938	100.0	—	100.0	—	100.0	—	100.0	—	100.0	—	100.0	—	100.0	—	100.0	—	100.0	—	100.0	—
1946	62.2 ³	—	37.2	—	56.9	—	81.5 ⁴	—	62.2	186.6	76.6 ⁵	—	29.5	121.4	79.4 ⁶	—	24.4	—	63.3	159.4
1947	94.2 ⁴	—	74.6	100.5	114.6 ⁴	—	92.1	61.9	35.1	92.0 ⁶	86.4	38.9	121.9 ⁵	—	93.8	43.6	104.8 ⁵	—	89.0	40.6
1948	118.7 ⁵	—	102.9	37.9	138.0 ⁵	—	124.4	35.1	33.7	117.8	—	115.1	33.2	166.4	—	131.7	40.4	138.5	34.8	
1949	154.4	—	137.5	174.1	93.6	—	224.4	36.4	—	150.4	30.7	—	193.2	46.7	185.6	34.0	165.2	37.7	—	
1950	207.2	—	35.1	188.8	237.1	—	36.2	41.4	—	20.9	194.5	29.3	—	288.8	24.8	—	206.4	24.9	—	
1951	269.6	—	30.1	246.3	305.5	—	326.5	37.7	31.5	417.2	33.3	213.8	9.9	—	16.5	285.7	24.8	—	238.7	15.6
1952	333.3	—	309.0	550.6	435.2	—	550.6	26.5	491.1	17.7	—	212.6	0.5 ⁶	—	16.1	314.5	10.1	—	247.9	3.9
1953	372.6	—	343.7	11.2	550.6	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1954	Original Plan	285.9	—	256.3	—	355.7	—	339.8	—	—	194.4	—	283.1	—	224.0	—	239.5	—	207.5	—
1954 Accelerated Plan	567.6	—	508.8	—	661.6	—	631.9	—	—	—	—	—	—	—	—	—	339.3	—	294.0	—
1954 Modified Plan	389.4	4.5	359.2	4.5	539.6	2.0 ⁶	481.3	2.0 ⁶	—	16.0	246.6	16.0 ⁷	—	9.0	342.8	9.0	—	—	280.0	12.9 ⁷

¹ Sources: Original figures for 1946-49 from *A Harmonies Területi Beljezet*; *Népköztérítés*, Zoltan Vas, 1950. Original figures for 1950 through 1953 from annual plan reports. Revised figures for 1949 through 1953 from *Statisztikai Tajékoztató*, No. 2, 1954. Original plan goals from Radio Budapest, Dec. 6, 1949 and *Magyar Nemzet*, Dec. 10, 1949. Accelerated plan goals from Zoltan Vas speech, *Magyar Nemzet*, May 17, 1951. Modified plan goals taken from Szalai speech, Radio Budapest, Jan. 1954. Figures not forced to add.

² Includes light and food industries. A collective index.

³ Figure for 1946/47.

⁴ Figure for 1947/48.

⁵ Figure for last five months of 1948.

⁶ Figure for % of decrease.

⁷ Szalai called for 16% increase in consumer goods production, and a 9% increase in food production over 1953. There is some question about whether consumer goods applied to food industry; Comptotrade indicates that this 16% probably applied only to light industry, giving a 12.9% consumer goods production increase planned for 1954.

Trade Unions in the Satellites

"Ours is a workers' government with a bureaucratic twist. Our present government is such that the proletariat, organized to the last man, must protect itself against it. And we must use the workers' organizations for the protection of the workers against their government."—V. I. Lenin, (Works, third edition, vol. 26, p. 104.)

"... it is politically incorrect to speak today in our country about defending the interests of workers and employees, as in the past, and trade unions do not and cannot have such a task." (Trud [Sofia], February 22, 1952.)

THE DISTANCE between these two quotations would seem unbridgeable. Yet Communist theory has built that bridge, a chain of reasoning as follows: nationalized industry is owned by the State, the State is owned by the workers, the worker is his own employer and, *obviously*, can need no defense against himself. When, therefore, Communist trade unions assume, as we shall see they do, their major function of increasing production with little regard for the worker's welfare, the worker is considered unjustified in complaining. It is, after all, "his" factory that produces. The government cannot oppress him; it is "his" government.

These rather simple-minded syllogisms are the theoretical basis of the methods Communism has used to force rapid industrialization of an immense area, most of which was, by Western standards, technologically backward, and to assure that such industrialization follows the course desired by the central regime.

In the following analysis of Satellite trade unions, the insignificant and minor variations of structure and practice from country to country are omitted, in order to give a clear picture of the area as a whole.

The strength of the trade union movement before the war varied widely in the area. Czechoslovakia and Poland, the most industrialized of the countries, had high levels of unionization. Czechoslovakia had over a million and a half union members, and ranked fourth in the world for unionization per population. Poland had approximately 750,000 union members, mostly in heavy industry. In Hungary, where there was less industry, there was nevertheless a small but sturdy union movement. Bulgaria and Romania, relatively little industrialized, had correspondingly small



Caption: Some norm-setters make out their reports [concerning the amount of work to be done or quotas to be filled] by entering into collusion with the workers. The norm-setter: "You know, if you stand me a drink, I'll see double..."

Urzica (Bucharest), July 31, 1954

unionization, and in the latter country all unions were dissolved in 1940 by the Antonescu-Iron Guard dictatorship.

With the end of the war, and the flood of Russian power and prestige into the area, the Communist elements in the trade unions rapidly assumed dominance. In Czechoslovakia, where under German occupation the unions had been forcibly coalesced into a single Uniform Trade Union organization, control was immediately seized by the Communists, and Antonin Zapotocky, now President of Czechoslovakia, became leader of the organization. In Poland, Bulgaria and Romania (where unions were re-established in 1944), the Communists ostensibly shared power with the Social Democrats or other moderate-left parties, but by dint of infiltration and intimidation of these parties attained effective control of the unions. This control was used to prepare the ground for the political coups of the Communist Parties. Demonstrations, widespread strikes, impossibly high demands and accusations of fascism indiscriminately hurled at factory owners, including those who had survived Nazi concentration camps, did much to create the social and political conditions making possible the Communist assumption of government power.

In Hungary, there was some measure of real trade union democracy until early in 1948, when all union leaders who

continued to resist the growing pressure of the regime were removed. In June 1950, 4,000 of these men were arrested.*

Trade Union Structure Under Communism

Under Communist regimes, the unions of the whole area were greatly expanded, and a uniform structure on the Soviet model was imposed. This structure has the twin aim of attaining the widest possible membership at the bottom, and assuring thorough State domination from the top.

Unions are organized industrially, all workers of all crafts in a given factory or office being eligible to join the same union, which covers all enterprises of that industry. In Hungary, for example, there are twenty such industrial unions, including the Trade Union of Chemical Industry Workers, the Trade Union of Railroad Workers and Boatmen, the Trade Union of Agricultural and Forestry Workers, etc.

Theoretically, the overall union authority is the National Congress of Trade Unions, which is supposed to meet every four years and is composed of elected delegates from the various unions. These meetings, in theory, set general policy lines, ratify or amend rules of the organization, decide on basic fiscal policy for the individual unions, consider reports of the Central Council of Trade Unions, etc. They are frequently used as forums for regime criticism of the performance of industry or other sectors of the economy.

The Central Council of Trade Unions is elected from the National Congress, and meets two to four times a year to pass on general policy between Congresses. It is the Executive Committee of this General Council which exercises the actual control of the organization. This is a permanent body, possessing a bureaucratic organization and a secretariat, and both the Central Council and the General Congress are in effect rubber stamps and sounding boards for this Executive Committee. There are Regional Committees throughout the country responsible to it.

Each individual union is organized along similar lines, with a National Congress that meets at extended periods, below this a National Executive Board convening more frequently, which has a standing Executive Committee where day-to-day management and actual control is exercised. Here too there are committees for each region of the country, responsible to the Executive Committee.

The Executive Committees of the various unions, and the Executive Committee of the General Council of Trade Unions, supervise the work of a number of departments, including Organization, Finance, Wages and Production, Social Security and Holidays, Labor Protection, Culture and Education, and Sports.

At the factory level, the whole trade union membership of the plant or enterprise elects a Factory Committee, which in turn may establish sub-committees to deal with various aspects of its work. These elections are by open ballot, workers having no chance to conceal their votes (except in Czechoslovakia, where the single-slate elections are

secret). If the plant is a particularly large one, various sections within it may elect Shop Committees. Very small factories may combine with other small factories of the same industry in the same area to elect one Enterprise Committee for them all.

Several points may be noted about this organization. It completely abolishes craft unionism, which, before the Communist reorganization, had existed along with industrial unionism as it does in the United States. This conversion to pure industrial unionism carefully controlled from above was done to channel pressure toward greater production, since the basic production unit is the factory rather than the association of men with similar skills.

Secondly, this organizational structure embodies the Communist practice of investing theoretical power in parliamentary bodies while reserving actual control for the small permanent executive committees having the bureaucratic apparatus through which that control is exercised. The relations between the trade union organization and the Communist Party will be considered later, but it may be pointed out here, to indicate the degree of Party control over the upper echelons of the union structure, that in Romania, for example, all 73 members of the Central Council of Trade Unions are also members of the Romanian Workers (Communist) Party.

At the bottom of this proliferated structure, we find the individual trade union member. The table on page 30 gives the available figures for union membership, and the total working force, in the various countries.

Functions of Communist Unions

For the reader familiar with the functioning of Western trade unions, it will be helpful to begin by pointing out what Communist unions do not and can not do. They do not engage in collective bargaining over wages and hours. These are established by the government, and are not subject to discussion by the unions. Indeed, the unions are enlisted by the regime to combat the workers' desire for better pay. *Rude Pravo* (Prague), June 20, 1953, quotes President Zapotocky as having said:

"Trade unions must definitely oppose all incorrect wage increases, fight decisively against all manifestations of egalitarianism, and incorrect views on wages. [They must] request systematically that plant management and responsible technicians and economic workers use wages correctly as an instrument for the increase of work productivity. This requires a systematic fight against incorrect assignment of workers to wage classes, against obsolete soft norms, shortcomings in work organization and time losses."

It is the increase of production, not the increase of wages, that is the concern of Communist unions.

Secondly, these unions do not possess the ultimate weapon of free unions, the right to strike. The 1947 Hungarian Act XXXV, Paragraph 3, Section 6 is a typical formulation of Communist law on this point:

"Anyone who hinders the work of an enterprise by quitting . . . by intentionally performing slow, defective or deficient plant work, by causing damage by unlawfully

* Between 1924 and 1944 Hungarian union membership was about 150,000, according to the Statistical Yearbooks. By January 1, 1947, before the Communist purge, the membership was 1,288,095 (*Mai Magyarorszag*, Budapest, 1947).

	Czechoslovakia	Poland	Hungary	Romania	Bulgaria
Trade Union Membership.....	3,500,000 ¹	4,500,000 ³	1,913,000 ⁵	2,500,000 ⁶	920,000 ⁸
Total Working Force.....	4.5-5 million ²	6,000,000 ⁴	2,946,000 ⁵	2,820,000 ⁷	970,000 ⁹

entering an area belonging to the plant or by being present there endangers the rehabilitation of the country . . . commits an offense . . . and may be sentenced to a maximum of five years imprisonment."

Since the Economic Plan has the force of law, any actions which interfere with it are legally punishable. In Czechoslovakia, the Criminal Act of July 12, 1950 (No. 86) specifies three years imprisonment for infringement of the Plan, and up to 25 years imprisonment or capital punishment for intentional damage to the Plan.

Nor are Communist unions expected or permitted to concern themselves with improvement of the living and working conditions of the worker at the expense of the demands of production. Such concern is a heresy branded as "trade unionism."

"Remnants of social-democracy and trade unionism can be found everywhere where trade unions underestimate their role in the fight for production, where they neglect their fight for the Plan, for the development of Socialist competition, and the reduction of production costs. Whoever, in the work of the trade unions, singles out care for the individual from matters of production, he, consciously or unconsciously, repeats the mistakes of social-democracy and trade unionism." (*Glos Pracy* [Warsaw], August 5, 1954.)

On the other hand, the attempt, under the New Course, to restore some of the unbalance resulting from the previous over-emphasis on production can be seen in the same article, which continues:

" . . . Putting emphasis merely on production and ignoring needs of the working man may be called social-democracy in reverse. . . . Such a deviation is not less harmful in its political import and results than a deviation putting emphasis merely on consumption. . . . [It] leads to the diminishing of trade union prestige, to the loosening of ties between trade unions and the working class, and as a result opens the way for hostile WRN propaganda [WRN: standing for Freedom, Equality, Independence; the *nom de guerre* of the underground Polish Socialist Party under German occupation]."

¹ *Prace* (Prague), April 16, 1953.

² Estimated.

³ Polish Embassy Press Release, Washington, D. C., May 14, 1954.

⁴ *Trybuna Ludu* (Warsaw), February 6, 1954.

⁵ *Szabad Nep* (Budapest), May 25, 1954.

⁶ *Scinteia* (Bucharest), June 12, 1954.

⁷ *Ibid.*, July 29, 1954.

⁸ *Rabotnicheskoe Delo* (Sofia), February 26, 1954.

⁹ *Ibid.*

These figures are generally approximations. Note, however, that in those countries, particularly Czechoslovakia and Poland, as well as Hungary, where pre-Communist unionization was greatest and most effective, there is the largest number of workers outside the union. This might be attributed to the reluctance of those workers who have known free unions to join the present regime-dominated ones.

The reasons given as to why the welfare of the worker should not be completely ignored are purely tactical; such actions would weaken the unions as weapons of the regime and increase the discontent of the people.

The Communist theory of the function of unions under capitalism and under a Communist regime is explained in an article entitled "The Place and Tasks of Trade Unions in the People's Bulgarian Republic," *Trud* (Sofia), February 22, 1952:

"Comrade Dimitrina S. Milkova asks the editorial office of *Trud* to answer her question: 'Is it politically correct to defend the interests of the workers, and if this is correct, is it included in the role and tasks of the trade unions?'

"The question of Comrade Dimitrina Milkova is very interesting and highly theoretical. . . .

"Using all forms of the class struggle (demonstrations, partial and general political and economic strikes, etc.), the trade unions, under the leadership of the Communist Party, defend the individual as well as the common interest of the working class. Such were the tasks of the trade unions in Bulgaria prior to September 9, 1944 [the date of the Communist assumption of power].

"However, in the presence of the People's Democratic State and the building of Socialism, the place and role of the working class were basically changed, and along with them were changed the place and tasks of our trade unions. Today, the working class is the leading power in our country, and in its hands is the State authority and the national economy. . . . The interests of the workers are defended by the People's Democratic State itself.

"All this is so because the People's Democratic State is one of the forms of the proletarian dictatorship. Undoubtedly, trade unions, in the past enemies of the bourgeois State and regime, will today be one of the most important levers of the People's Democratic State, first assistants of the Party for strengthening the Socialist regime. That is why it is politically incorrect to speak today in our country about defending the interests of workers and employees as in the past, and the trade unions do not and cannot have such a task."

Communist unions, under capitalism enemies to the State, are under Communist regimes weapons of the State. Lenin's concept that the unions must protect the workers from their own government has vanished.

If Communist unions do not engage in collective bargaining for wages and hours, cannot strike, must not "defend the interests of the worker," what is their function? Antol Apro, then Secretary General of the Hungarian National Council of Trade Unions, answered the question in a *Szabad Nep* (Budapest) article, November 3, 1951: "In the Bolshevik system, trade unions have become transmission belts, their role is restricted to the intensification of production, the organization and intensification of work competition, and making secure the leadership of the Party."



Title: Nepotism

Caption: "I am not taking any vacation this year. Ever since Uncle Gheorghita took over the management of this enterprise, I can rest better right here."

Urzica (Bucharest), July 31, 1954

The Statutes of the General Council of Romanian Trade Unions are even more explicit. Article 37, describing the functions of the individual unions of which the General Council is composed, gives these:

- a) to mobilize and include all workers, engineers, technicians and white-collar employees of the respective enterprise or institution for the fulfillment and over-fulfillment of the production Plan; to increase the labor discipline; to develop socialist competition.
- b) to attract all workers . . . into the trade union.
- c) to carry out educational work within the ranks of workers . . . for the purpose of raising their political, ideological and professional level.
- d) to fulfill the obligations stipulated in the collective agreements.
- e) to elaborate practical measures for the increase of labor productivity, improvement of the quality of finished products . . . economizing . . . production meetings.
- f) to introduce rationalization measures in the production process.
- g) to organize Stakhanovite schools . . . conferences, reports and other forms of activity which will help and enable workers . . . to fulfill and overfulfill the production norms. . . .
- h) to care for the improvement of living conditions and the needs of those who work.

- i) to carry out cultural and sports activities. . . .
- j) to enforce and supervise the execution of decisions adopted by superior trade union organizations. . . .

Of the ten tasks enumerated by the Statute, the first seven pertain to the union's duty to increase production.

The collective agreement mentioned in point d) above is a device common to the whole area. It is drafted either by the government ministry for the industry involved or at the factory in consultation with the ministry, and contains the production norms to be required of the factory, a pledge by the workers to fulfill or overfulfill these norms, and arrangements for the supply of materials, working conditions, lunch-rooms, housing and recreation centers, etc. It is signed by the factory management and the union Factory Committee. It has no relation to the collective bargaining contracts of Western unionism. The purpose of these collective agreements is explained in *Trud* (Sofia), December 11, 1951:

"To secure the fulfillment and over-fulfillment of the production Plan according to quality and quantity, to insure the further increase of labor productivity, to raise the value of the enterprises and to reduce the cost price of the product, collective agreements are signed between the factory administration and the union."

Theoretically, before being signed, the draft agreement is discussed by the workers. It frequently happens, however, that the draft agreement is simply displayed and signed by the chairman of the Factory Committee in the name of the workers, without discussion. This is understandable, since such discussions, consisting of attempts to get the already overworked workers to promise to work harder, must be rather joyless occasions.

What these discussions of the collective agreement are meant to accomplish is revealed by a report in *Munca* (Bucharest), January 1954, praising the discussions at the Electropuțere Plant: "When the draft of the collective agreement was submitted to debate, the workers and clerks discussed it very seriously, offering over eighty proposals on how to improve its contents. The largest part of these suggestions concerned ways and means to improve production."

In Romania, however, since November 1953, the collective agreement has no longer set forth specific production norms, but merely contained a pledge by the workers to fulfill or over-fulfill the Plan. This is the result of a New Course trend, also apparent elsewhere in the area, to permit less rigidity in norms, and to increase incentive by tying wages more closely to production.

The on-the-spot watch-dog of the production norms is the Wage and Production Committee of the union Factory Committee. It is elected (in open, non-secret elections) from the factory's Stakhanovites, shockworkers and innovators. It urges workers to fulfill norms, praises those who do, holds up to shame those who do not, and raises or lowers their wages in accordance with the prevailing piece-work system. This committee keeps complete files on the fulfillments and shortcomings of planned norms by each individual worker or work brigade.

What is expected of the union by the regime in the matter of norms is clear from a complaint in *Nepszava* (Budapest), April 30, 1954:

"Certain unions show an incomprehensible laxity. When workers complain about norms, instead of examining the basis of these complaints, [some] factory directors lower the norms. This attitude can only reinforce the unjustified discontent of certain elements. It is regrettable that very often the organizations of the Party and the trade union permit such abuses."

Normally, however, the Communist unions are quick to prevent such "abuses," as they are expected to be. This spectacle of management attempting to ease the burden of the worker, only to be frustrated by the sleepless vigilance of the union, is one to freeze the blood of Western trade union leaders.

Stakhanovism

A major weapon in the unions' fight to increase production is the Stakhanovite and similar movements, and "Socialist competition" between groups of workers called "work brigades." The unions organize and encourage these activities, which are one half of a two-pronged attempt to increase production (without correspondingly increasing wages) by the direct bestowal of social prestige. This prestige is conferred through decorations, ceremonies at the factory, adulatory press publicity, opportunities for a political career, etc., on those who greatly surpass their norms. This elite is also given higher wages, priority in new housing, free use of rest-homes and other privileges. Those who fail to fulfill their norms are held up to public obloquy. In each shop their names are posted on special bulletin boards, they are denounced in public by union functionaries and castigated by name in the local press.

These attempts to establish a direct prestige system geared to production, have not proved very successful. They are vitiated by the hatred of his fellow worker for the Stakhanovite who with great effort overfulfills already high norms, which overfulfillments tend to become new norms mandatory for all workers. In early American labor parlance, such a shockworker was contemptuously called a rate-buster; doubtless there are in Eastern Europe pithy East European equivalents. Indeed, there are indications that in certain areas the Stakhanovite system of individual glorification, but not "Socialist competition" between brigades or factories, is now being soft-pedalled. In Romania the report on Plan results for 1953 for the first time makes no mention of Stakhanovism, and the Romanian press has since March been completely silent on the subject, to which it had previously given a great deal of space.

In addition to its role in transmitting pressure for production, the trade unions are charged with the responsibility for Communist education, that is to say indoctrination, of the workers. Over and over again, Communist speakers and writers, when discussing unions, emit Lenin's famous phrase that "trade unions are the schools of Communism." Each union Factory Committee has an Education and Cultural Committee, responsible for arranging lectures and discussions, providing Communist books and periodicals,

domestic and Russian, encouraging the production of skits and plays on doctrinally sound subjects, etc. Culture Homes and Halls, containing reading rooms, libraries and radio sets are operated by these committees.

Sick Benefits

Another union function is the organization and management of the social insurance system for sick benefits (except in Poland, where the statute giving them this responsibility has not yet been implemented), rest homes and vacation resorts. Here too the welfare of the worker is meticulously subordinated to the demands of production. The Social Insurance Committee must make sure that a worker who voluntarily changes his job gets reduced sick benefits, which in any case vary with the production output and job stability record of the worker. It organizes visits to the sick to make sure they are seriously ill, an activity which earns considerable resentment:

"Certain workers cannot or will not understand the difference between Comrades' visits and a check-up. Those who cannot understand may be convinced by a good explanation. More serious is the case of those who refuse to understand that a visit to the sick bed is a true expression of friendship. The real reason why some people refuse to understand is the fact that frequently the person to be visited is not found in the sick bed. They are the ones to talk most about control, using strong language." (*Narodni Pojisteni* [Prague], December 15, 1953.)

In trade union rest-homes and sanatoria, priority is given to Stakhanovites, shockworkers, and others who have earned the approval of the regime. In Bulgaria, for example, as reported in *Trud*, November 4, 1953, the list of "categories of workers and employees, members of trade unions, [who] have the right to free medical care and summer resorts . . ." starts with the possessors of the Georg Dimitrov Award, descends through a number of other award and medal winners, includes leading Stakhanovites and shockworkers, and ends at ". . . rationalizers and innovators who in a period of one year made the greatest number of suggestions which were applied with a total economic saving of 100,000 leva. The rest of the workers and employees have to pay for medical care and vacations."

It is, of course, precisely those workers physically incapable of the immense effort needed to overfulfill the high norms who are in greatest need of free rest homes, sanatoria and medical care. But, as an official Bulgarian delegate to the recent Paris Conference of the International Cooperative Alliance remarked, "The Bulgarian State, after all . . . is not a charity outfit. We cannot take care of the lazy incapable ones, the idiots and cripples. Of course there are persons who dislike this policy, but we are trying to explain to them through everyday activist education why productivity must go up."

Other trade union activities include the Labor Protection Committee, charged with accident prevention, an Innovation and Rationalization Committee to promote new methods of increasing production, and a Sport Club. In Romania, the name of the general trade union organization for sports and physical culture is "Ready for Work and the

Defense of the Fatherland." Unions also allocate new housing for workers.

Control of the unions is firmly in the hands of the Communist Party. For the upper levels of the union hierarchy few statistics are available, but those we have, as in Romania, indicate that the greatest number of these functionaries are Party members. Theoretically, these men are elected through the various levels of the union organization, but this is not always the case. In Czechoslovakia, for example, on September 29, 1953, according to *Rude Pravo* of the next day, Josef Tesla, a member of the CPC Central Committee, was "assigned as a member" of the General Trade Union Council, and by the Council elected to membership in its Executive Committee. The Executive Committee then made him its First Secretary, responsible for management of the General Council "during the sick leave of Chairman Gustav Kliment." Kliment died three weeks later, and Tesla is still in charge.

At the factory level, all Party members have the duty of joining the union, and of becoming activists in the factory union leadership. Trade unions are a mass organization, in the Communist use of the phrase, transmission belts between the regime and the masses, and the Party members direct this process. As a resolution of the Polish Communist Party put it, "The Party sees in trade unions its most important means of transmitting its tasks to the working masses, a socialist school of education and a reservoir of cadres, a school for administrators and leaders, for builders of a new system, a new life." (*Trybuna Ludu* [Warsaw], April 14, 1954.)

Union membership is not legally compulsory. However, the high unionized percentage of the working force is due to certain benefits conferred by union membership, such as reduced fares on trams, the use of trade union vacation resorts, recreation facilities and creches, and higher Social Insurance benefits. Since the union-directed pressure for production affects all workers, unionized or not, there is little reason for the worker not to join. Members pay union dues varying from one to two percent of their salaries.

The piecework system of wages (see NBIC February 1954, pp. 34-36) is not directly in the province of the unions, since wages and rates are established by the government. It is interesting, however, to compare trade union pronouncements on the piecework system before and after complete Communist dominance. In 1947, before Hungarian industry had been nationalized, *Szabad Nep*, July 4, said, "The progressive wage system is fairer than the piece-rate system, for biological tests have proved that a workman wastes more energy on completing the third piece of work than the first piece. The piecework system is supported by the false arguments of the capitalists."

Four years later, however, after nationalization, and after the introduction of the piecework system throughout Hungarian industry, *Nepszava*, March 23, 1951, said that the system was "entirely different from the contract system in the capitalist countries, because the workers can enjoy the fruits of their toil directly through the medium of their increased earnings, and indirectly through the development

of Socialist production and the increase of general prosperity."

In the enforcement of labor discipline—the close-meshed net of regulations and penalties by which the worker is held to his labor—the unions are only one of the weapons used by the regime. They are, as a matter of fact, one of the less unpleasant weapons, since they can merely cajole and threaten. Naturally, violators of labor discipline laws can expect to be reported by the activists of their union, but it is the manager of the factory who is legally empowered to provide statutory punishment. Violations of labor discipline include failure to perform work properly, an attitude on the part of the worker which suggests opposition to the regime, absenteeism, tardiness, continued non-fulfillment of norms, and continued high percentage of rejects. These offenses are punishable by deprivation of lunch-time, vacations and social security benefits, by fines, reduction of wages and termination of employment. The most serious violations of labor discipline and the Labor Code are judged in criminal courts, and fines or prison sentences imposed.

There are Commissions for Labor Conflicts in each factory, composed of equal numbers of representatives of union



Caption: The "Five Percenter" accepts an application.
Szpilki (Warsaw), October 3, 1954

and management. These judge minor disputes and disagreements between the workers and between workers and management (except in Czechoslovakia, perhaps an indication that the membership of the Czechoslovak unions, with their long tradition of freedom, could not be trusted to decide all matters to the regime's liking).

Although unions have no voice in the establishment of wage scales, the opinion of the head of the union Factory Committee is generally consulted on the determination of each worker's pay category. In Romania, there are Salary Commissions for this purpose, composed of five members, only one of whom is a union representative.

Unions and the New Course

The introduction of the New Course, while it brought about certain improvements in the wages and living conditions of the worker, has had little important effect on the structure or activities of trade unions. In Trade Union Congresses held recently, regime spokesmen repeated the usual demands that the unions intensify their pressure for production. Indeed, there is some evidence of a trend to remove peripheral union functions from their jurisdiction, so that they can concentrate completely on the increase of productivity necessary to the success of the New Course. A recent Hungarian Council of Ministers decree, published in *Szabad Nep*, September 23, 1954, stresses the supremacy of the manager in the factory, who "alone has the right to make decisions in the affairs of the enterprise . . . determines workers' wages in accordance with wage discipline . . . takes disciplinary action . . . protects the health and safety of the workers by organizing labor protection and creating safe working conditions."

There are indications, too, that the Party feels the need to tighten even further its control over the unions. Boleslaw Bierut, speaking before the Second Congress of the Polish Workers (Communist) Party on March 10, 1954, said: "The leadership of trade unions belongs to the most neglected sector of Party work." (*Nowe Drogi*, March 1954, p. 79.) With the New Course increase in the importance of mass organizations, of which the trade unions are one, there is the parallel need for increased Party control.

In accordance with New Course emphasis on higher living standards, there has been some increase in that minor sector of union activity pertaining to such matters. Pensions, for example, have been considerably raised in Hungary and Poland, and there have been regime promises of increased spending for labor protection and social welfare. There have been many official pronouncements to the effect that factory collective agreements involve managers' pledges

to provide for the needs of the workers, as well as the workers' promises to fulfill the Plan. In Albania, a *Zeri I Popullit* (Tirana) editorial of October 16 said, "In collective agreements workers pledge themselves to fulfill the Plan, while in their turn managers promise to satisfy the workers' material and cultural requirements." The editorial was careful to add that "To fulfill the Plan is in the interest of both workers and the State." It went on to list some accomplishments of "material and cultural requirements," such as "culture homes and recreation centers," and scolded the ". . . many managers . . . who do not observe their duties toward the workers as provided for by collective contracts."

There is also some evidence that, in line with the general slackening of repression under the New Course, some union members and minor functionaries on the factory level are showing a dangerous leniency toward workers who violate labor discipline or the demands of production. This tendency is thoroughly castigated by the union leadership. Vojtech Daubner, a Secretary of the Czechoslovak General Council of Trade Unions, said at the XIII Plenary Meeting of the Council:

"The most dangerous form of bourgeois ideology, hampering the work of trade unions, is social-democratism . . . some functionaries are undermining the systematic application of the socialist principle to compensate work according to quantity, quality and social value . . . they try to attain unjustified privileges for individuals." (*Prace*, May 5, 1954.)

Tesla, First Secretary of the Czechoslovak Council, urged trade union members to "fight against wanton absenteeism, against violation or damage to production by irresponsible individuals." (*Rude Pravo*, September 30, 1953.) It is particularly important to the Czechoslovak regime that the unions tighten their surveillance of work discipline, since there has been, under the New Course, a certain decrease in court-imposed punishments for such infractions as absenteeism. This relaxation of legal severity, made necessary by unrest among the workers, presents to the regime the problem of maintaining its pressure for production. The regime answer is the union.

Under the New Course, as before, Communist trade unions remain a weapon firmly in the hands of the regime, directed at the worker with the sole aim of increasing production. Without the right to strike, disbarred from negotiating for wages and hours, essentially uninterested in raising standards of living, they have no resemblance to the free trade unions of the West. They represent the apotheosis of the sweat-shop, on a national scale, reinforced by every organ and implement of regime pressure.

Time and Motion Study

The Hungarian trade union newspaper *Nepszava* complained on May 19, 1954, "that a movie projector operator who wanted to 'overfulfill his production quota' ran a two-hour feature in 70 minutes."

"In the future," said *Nepszava*, "it would be sufficient for people to buy a ticket and not bother sitting there."

Polish

Christmas

The following eye-witness account is presented, word for word, exactly as it was told to Radio Free Europe's interviewer in Hamburg, Germany, by a Polish refugee who spent last Christmas with his family in Bydgoszcz, Poland, and escaped to the West on New Year's Eve.



The rest of them were probably suspicious. . . .

CHRISTMAS this year lacked something. It wasn't just the fact that people had to work right up to the last minute and even then had practically no money to spend on the nice things you want to buy. There was a depressing atmosphere, as though something frightful was going to happen sometime in the near future, and this was the last short period of peace. Not being at home regularly, I noticed it especially.

I was on holiday in Bydgoszcz for three days, which is two days more than the ordinary working man in this area gets. I was surprised to notice that even at home, boredom was very strong, on my part too. I hadn't been there two hours when I felt that I didn't know what to do with myself. Nowadays you get into conversation only with people you know well, and the only people I knew well were out doing their Christmas Eve shifts and wouldn't be home before evening.

I looked at a few books, but I had read them all at some time or other and didn't feel like reading them again. I glanced at the headlines of the local newspaper and saw nothing there but the everyday Party stuff, not even brightened up by any Christmas color. There was music on the radio but after a while that bored me too, and I couldn't find anything else to listen to on the small set. We can only get the local stations, nothing from the West, where I imagined that Christmas would be being celebrated in a very different way.

It was difficult, however, even to imagine that. Outside, the weather was dull but dry, no sign of any snow. I went for a walk through the town, saw something going on in one of the churches and went inside. The priest and some helpers were putting branches around the church, on the chandeliers. I asked them if I could help, and stayed there for an hour.

There were about ten women there and only one other man apart from the priest. We spoke very little. The rest of them were probably suspicious of me because they didn't know me. This was not the church I used to go to as a child, and there were no familiar faces there. Even the priest, an elderly man, was cautious about speaking to me, as though he felt I had been sent there to find out things they would rather keep to themselves. This was peace and goodwill towards men—well, it was perhaps my fault, the situation being what it is. I was in church again at midnight, and then the atmosphere was quite different.

I went back to our apartment and tried to help about the house. I brushed all the shoes I could find, to give them back some air of respectability. My poor mother's were the worst, of course, and it made me feel ashamed to see her broken-down old shoes, while I had my good army boots on. She was trailing around the house in old slippers, trying to make no noise.

During the day the postman came twice with letters. We gave him some cigarettes, but no money, as his Christmas mas present, and I think he didn't expect any more. People are so poor nowadays that things such as Christmas presents are out of the question. There were to be no presents amongst the family, for instance—we had decided that beforehand, and apart from a little parcel containing some fancy soap and perfume and a shawl which I had brought from abroad and which was presented to my mother, there was in fact no exchange of presents. That seems to have

been fairly general everywhere I went. Another few years and most of the traditions of Christmas will have disappeared, whether they are forbidden or not.

There was a smell of fish everywhere [in the town], but not an appetizing one, as we were going to eat salted herring and not the carp we had wanted. Carp couldn't be bought for the price we could pay, and it looked as though we were going to have to make do with potatoes until, at the last moment, a delivery of herring arrived. My sister stood in line four hours, on the 23rd, to get some for us. They tasted good when we finally got down to eating—they were fatty, and there was a good gravy. Before that we had a thick soup with all sorts of vegetables in it, and then we sat around and drank coffee, slowly filling out the afternoon until the others got back from work.

It was obvious that no one knew what to do. Conversation flagged during the evening, and there were long and almost embarrassing silences.

At six o'clock, the lights went out and we sat by candle-light for two hours. This was a general power cut which has been going on since last summer—sometimes only in one district, sometimes everywhere.

After a time we got out the chess men and I played chess with a cousin of mine and we drank a few bottles of beer. Not enough, however, to liven things up. We were desperate to know how to fill out the time until we could go to church. *Don't forget that this was amongst relatives and close friends*, perhaps seven or eight of us. That is what life in present-day Poland has brought us to—through talking so little to people generally, one gets so much out of the habit that in the family circle subjects of conversation are rapidly used up and then silence sets in.

It was with something like relief that we all got to our feet to go to midnight mass. Outside, there was a lot of movement in the faintly-lighted streets, and for once it wasn't people changing work shifts. Most families left one person at home (or left a light on, which is strictly forbidden), in case thieves or hooligans took advantage of people's absence in church to break into their houses.

Perhaps for this reason, one sees more policemen than on other nights. We passed three going to church, when at other times you can look all night without finding one. Few people have any property worth talking about. Strangely enough, however, the criminal element still thinks that there is something worth taking in other people's houses.

When our party arrived at church it was already full, but we managed to get inside. It was still twenty minutes before midnight. The church was unheated, as they always are, but the body heat of the hundreds of people already inside was beginning to have its effect, and everyone was as well wrapped as he could manage. A thing struck me then, which I have noticed often recently: that more and more people are wearing padded cotton-wool jackets this winter, and the impression you get is that we [Poles] are beginning to look more and more Russian.

A man and his wife standing in front of me were wearing obviously homemade half-coats of tent material. They had been doubled and then stuffed with cotton wool and

sewn together like a quilt. Dozens of others were wearing the same type of thing, some made of better and some of worse material. The main thing is that they were warm. They had to make do one way or another, because I'm sure that a large proportion of the working people haven't got proper winter coats.

In spite of it all, people still try to do something about their appearance. The women were obviously wearing their best, and even the poorest had done their utmost to appear tidy and clean. I think that people should always try to do that, however bad things are—they should always try to look as though they haven't lost their self-respect.

More and more people arrived as it drew towards midnight, and when the service began there were two or three hundred standing outside by the doors, which were left wide open in spite of the tearing draft which bent the flames of the altar candles. No one minded. We all had the feeling that, for an hour or so, we were safe and nothing could happen to us. Church is the one place where the troubles of the world do not seem important.

I think everyone cried a little. I didn't see a dry eye in the whole congregation. Not far from us was a drunken man who stayed on his knees the whole time, wiping tears out of his eyes. He stayed on after we had left. Perhaps he was going to sleep there. No one took offence. It was a time of peace and goodwill.

After the service, we walked home in groups. There was a band of young louts waiting not far from the church, who may have wanted to shout abuse at the churchgoers but didn't risk it until most of the people had passed them. Afterwards we heard some catcalls, and knew it would be the poor priest and his helpers who came in for the insults.



After a time we got out the chess men. . . .

That is a daily part of their job nowadays—to be shouted at by hooligans from the Party youth movements.

That was Christmas Eve. Christmas Day passed quietly in the family. Very few people were working although, as I had heard, there were some volunteer shifts in the tanneries.

If you wanted to do any celebrating, you had to have bought your liquor beforehand, because bars and liquor stores were shut most of the day. In spite of this, however, the hooligans were out on the streets and seemed to have got hold of some drink somewhere. These rowdies are probably not Communists through conviction, but they are usually led by an officer of the Communist Youth Movement. They are found in all towns, and they hang about the street corners making rude remarks at passers-by whom they consider harmless, or they move along in straggly groups, throwing stones into gardens, accosting girls, tripping people up, and so on. It is worst on the holidays, because they are not at work anywhere—most of them have quite good jobs and some earn more than men twice their age.

Anyway, on Christmas Day normal people prefer to stay at home, and that is what we did in our family. We fed well, we had chicken and some beer and vodka and a bottle of Russian wine. We tried the Russian wine out of curiosity, and were pleasantly surprised. It is dark red and has good body and comes from the Caucasus. It costs 35 *zlotys* a bottle, so it was an expensive curiosity. The shops were full of it during December.

We had no children in our family party—all of us are grown and live in various parts of the country. But in the apartment below us there were two children, and they came up to see us during the afternoon. There were some pieces of chocolate left over. We felt sorry for the children because they told us they had had no success in their carol singing this year, and had been flung out of the shops and stores where they went with their little homemade "Jesus Cradles." They said the directors of the State stores had

had orders to throw them out, and no one would look into the "Cradles" to see what they had arranged inside, and very few people had given them even a few *grozy* [pennies].

I asked them if they were going to try again next year, and they said: "Yes, of course. It won't always be like this." When my sister heard them say that, she burst into tears and hurried out of the room. We all had lumps in our throats and suddenly the gaiety disappeared. If someone hadn't said, "I hope you're right," then forced a little laugh, the children would have wondered what had happened to us.

When they had gone we just sat down and looked at one another. Everyone was thinking the same thing, and we were all feeling particularly hopeless. I'm afraid that this feeling of hopelessness is becoming more and more general, and people are really wondering how much longer it can go on like this in Poland.

New Year's Day was to be the great event in Poland. The streets were full of placards with slogans and boastings for the last year of the Six Year Plan. Among them were exhortations to save—to put your money in savings! What money? After our Christmas expenses, we would be poor for some time. We would have little left over for New Year's. In any case, the people had made no mistake about the day on which Christmas fell, even though the authorities had overlooked it and didn't even like to call it by its right name. Christmas was the day most fervently celebrated—in people's hearts.

What New Year's was like I don't know, from my own experience, because on New Year's Eve I suddenly decided to make my dash for freedom. I had often thought of getting out and trying my luck in the West. I had been turning it over in my mind during the quieter hours of Christmas at home. But I hadn't made any plans.

I hope that when I see my folks at Christmas again, it may be under different circumstances, even though it may be a long time in the future.

Growing Proof

"The population of Poland is growing rapidly. At the end of the war the population of Poland amounted to less than 23 million. At the close of repatriation and the migration movements, the populations of our country in 1948 numbered roughly 24 million inhabitants. At the present time it numbers over 26.5 million.

"An annual increase of such dimensions has never been known in the history of Poland. (applause). The figures I quote constitute another proof of the superiority of our system over the capitalist system."

Speech by Boleslaw Bierut, then Premier of Poland, quoted by Radio Warsaw, March 10, 1954.



Operation

Focus

The second political warfare campaign against Soviet domination in Eastern Europe

OPERATION FOCUS, the Free Europe Committee's second political warfare campaign utilizing the combined resources of printed and spoken word, began on the morning of October 1, 1954. By afternoon nearly 1000 leaflet-bearing balloons, each carrying 400 to 500 copies of "The Manifesto and the Twelve Demands of the National Opposition Movement", had been launched from sites in Western Germany and were floating over Soviet-dominated Hungary.* As these balloons appeared in the sky over Hungary, Radio Free Europe was transmitting 20-hour-per-day saturation broadcasts into Hungary explaining the campaign and the message of the leaflets.

The first combined campaign of this nature was Operation Veto to Czechoslovakia, which began on April 29, 1954, and is still in progress. Operation Focus was conceived in July, at the time of the announcement of Hungarian local council elections (set for November 28), and was spurred by additional evidence of the vulnerability of the regime disclosed by its announced intention to form a Patriotic People's Front.

The New Course—a change to less stringent and more rational economic, political and social policies in the Soviet bloc—was first promulgated by Hungary's Premier Imre Nagy on July 4, 1953. It was soon apparent that implementation of this course raised as many problems for the Communist regime as it was designed to cure. The people seized the advantage resulting from the confusion and dissension in Party and government ranks, and within six

* Because of the geographical position, a special balloon had been developed to float at constant level rather than bursting or descending. Leaflets are carried in a small box on an axle, below which is suspended a container of dry ice. The evaporation of the dry ice is so gauged that when the target is reached, the balance between box and container is destroyed, the box turns over spilling out the leaflets, and the balloon floats on to the East. See diagram opposite.

months, 200,000 peasants—51 percent of the membership—had quit the collective farms, while 25 per cent of the Kolkhoz land was de-collectivized, and more followed.

The Third Party Congress of May 1954 reaffirmed the regime's intent to pursue the New Course; however, a Plenum of the Central Committee, held October 1-3, 1954, revealed that ideological issues were still rending the Party, and that the regime was dissatisfied with how Party and government administrative bodies were meeting the demands of the people and implementing the New Course relocation of heavy industry in favor of consumer goods.

Clearly this situation presented a real opportunity for the Hungarian Opposition of the people to demand further concessions from the regime, and, by winning one concession, to open the way for yet another, in a war of attrition against the Nagy-Rakosi ruling clique.

But the regime is not so weak that the Opposition members are in close communication with each other, not so weak that the Opposition has its own press. Into these gaps moved Radio Free Europe and the Free Europe Press voicing and printing the first Twelve Demands of the National Opposition Movement—*Nemzeti Ellenállási Mozgalom* in Hungarian, whose initials NEM also spell "No—and giving this movement form, cohesion and expression.

The Manifesto of the NEM reads in part:

"The NEM believes that the time has come to use new and more effective legal means to win liberty for our people and to dispel the Communist darkness over our land."

"The NEM represents a solidarity based on the cooperation of the masses; it is not a conspiracy and it is not a secret underground organization. . . .

"The final goal of the NEM is a free and democratic society in which the rights and freedom of the individual are protected by law. . . .

"Invincible strength lies in the spirit of a conscious and united people. The stronger the people become, the weaker become those who would hold them in bondage . . . the Hungarian Communist regime has been forced to give ground before the persistent mass resistance of the past fourteen months. . . .

"Now the NEM forms its first Twelve Demands. . . .

Every Hungarian citizen will find his own ways and means of contributing to the fulfillment of these demands. . . ." and its Twelve Demands are listed below:

1. Real Autonomy for the Local Councils.
2. Free Speech; Free Assembly.
3. The Rule of Law, not the Reign of the Party.
4. The Land Belongs to Those who Till It.
5. Free Trade Unions for Free Workers.
6. An End to Industrial Slavery.
7. Production for Hungary's Well-Being.
8. Living Standards Must Be Raised.
9. Services to the People in the Hands of the People.
10. Homes, not Barracks.
11. Equality of Education—Free Intellectual Life.
12. Freedom of Conscience and of Worship.

During October, the Manifesto and Twelve Demands were sent in at every opportunity which the winds presented. At the beginning of November, "12-NEM" stickers went in, followed by posters illustrating some of the Twelve Demands and encouraging the Opposition (see cuts.) Concurrently, Radio Free Europe scripts enunciated the ideology of the NEM (see page 43).

In the face of this onslaught, the Hungarian regime maintained a watchful silence; then, on October 15, its Foreign Ministry presented a note to the United States Legation in Budapest. The note protested against this effort to "stir up discontent among the people of Hungary and invite them to put up resistance to their lawful government." It claimed that the US attitude was "a flagrant violation" of the international law prohibiting interference in the domestic affairs of another country, since the action could have been undertaken "only with the tacit (at least) approval of the US." The Hungarian government therefore requests that the US put an immediate stop to the leaflet campaign and call to account the persons [responsible for] its organization."

This note was read over the Hungarian radio and ap-

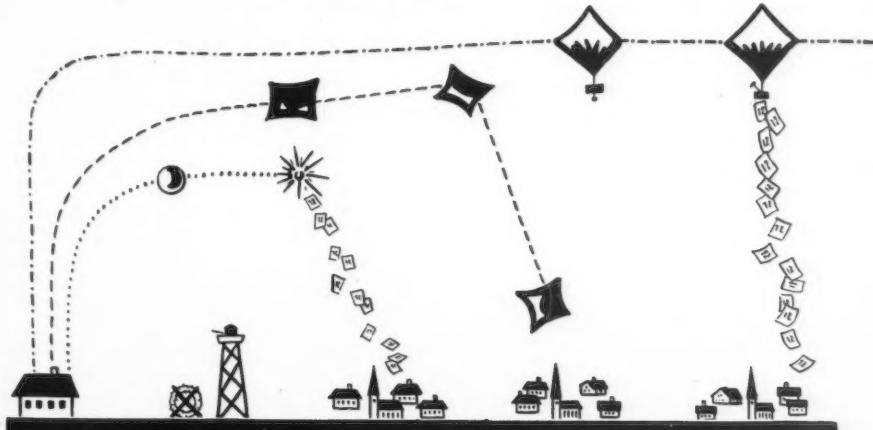
peared in regime newspapers, verbatim or in summary, six times within the following twenty-four hours. During the next week, the Soviet Union and all the Satellite regimes reported the Hungarian protest, with the exception of Czechoslovakia: still battling Operation Veto, the Czechoslovak regime obviously feared that its own Opposition would gain increased confidence if it knew that a counterpart Opposition exists in Hungary.

The leaflets continued to drop. On October 23, the Congress of the "Patriotic People's Front" opened in Budapest, and one of its first speakers, Vice-President Jozsef Darvas, assailed Operation Focus amid "thunderous applause": "Our entire population rejects with deep scorn the provocation which our enemies, supported by certain groups within the United States, have committed in recent days by sending to the territory of our country leaflets which incite against us [the regime]."

On October 24, Premier Nagy addressed the Congress, and he too attacked Focus, at greater length and in stronger terms than did Darvas: ". . . Their morals are those of the wolf-pack. . . . They do not care what their bosses throw at us over the foreign radio, what base slander is spread about us by way of throwing Colorado beetles from airplanes or dirty leaflets from balloons. They want to bring only harm to us. . . ."

On the same day, a worker-delegate, Maria Antal of Papa, near Györ, made a speech professing "the resounding contempt of the Hungarian working people" toward this attempt to "disrupt our development and the happier future of our nation. I feel no hesitation in declaring that these leaflets will not achieve their aim. . . ."

The Budapest newspaper *Szabad Nep*, carried a long article on October 31, denouncing Focus, Radio Free Europe and individuals in the Hungarian emigration. Radio Budapest, November 4, quoted an "open letter" in *Szabad Nep* of the same date from a certain Andras Szilard, assail-



Three types of balloons serve different purposes. The rubber balloon (left) containing leaflets is carried by the wind as it rises to high altitude (30,000 to 40,000 feet). It expands as it rises and, depending on its load, bursts at a predetermined point and showers its leaflets to the earth. The smaller plastic pillow-shaped balloon (center) also contains leaflets and expands as it rises, but instead of bursting it springs a leak. The leakage of gas causes the balloon to settle slowly to the ground. It delivers its load of leaflets intact, inside the waterproof container. The large plastic balloon (right) carries leaflets inside the paperboard container suspended below. Under this is an envelope containing dry ice ballast. The release of paper occurs when the dry ice ballast is exhausted. This upsets the balance of the paperboard container, which dumps the leaflets. This ballast system enables the balloon to rise to a specified altitude and "float" there on favorable winds. The use of dry ice as ballast permits the timing of release according to the rate of sublimation.

Radio Free Europe Speaks . . .

This Is the Voice of Free Hungary . . .

At the beginning of the last war, when the French government appointed General Hallier military attache to Budapest, the General paid a call on a well known Hungarian writer. "I am somewhat confused, dear sir," he said, "dropped into an entirely strange new country at such an historic moment. If only I could speak Hungarian! But I do not know a single word of your native tongue. Is it true that it is so rich, that its vocabulary, its imagery, its expressiveness vie with ours?" "It is really so, General." "If you were to ask me what is the key of the French language, I would say that it is 'logic.' What would you say if I ask you the same about the Hungarian language?"

The writer pondered for a moment.

"I would answer: just one single little word. Just one word of negation. It is: (*Nem*) No!"

Now let us skip over the fifteen years since this conversation took place and let us imagine that General Hallier calls again on his old friend, by now a white-haired exile. "They say that the Communist dictatorship has laid waste your country, deprived its national life of its rights, its beauty and tradition. Now may I ask you: in this orgy of destruction, have they also dared to interfere with the richness of your mother tongue?"

The writer would ponder for a moment.

"Yes, General. They have robbed one word from our vocabulary, the word of denial: No!"

The General—being an outstanding representative of the French spirit—would have understood at once that the robbing of our ancient negative reflects the entire tragedy of our miserable fate. If we consider it well, we can say that the foreign tyranny has deprived us only of the right of denial. It has deprived the nation of the thousand-year old: No. First of all it has eliminated from our political life the right to reject, the right to contradict, the possibility of holding an independent opinion. By curtailing the denying No the regime has liquidated the political parties, in whose various ideals, controversies, conflicts, the will of the Hungarian people was expressed. The different opinions and endeavors often caused grim struggles which, however, were always productive. These were changed to a one-party system and a servile parliament, which by its bombast has already exhausted the entire treasury of our language. But that certain word, that sole word No, it has never uttered. . . .

Along with this political assassination, they deprived our moral homeland of the ancient No, of the right to voice its protest. For what other reason did they bear down on the Church, and first of all on its leader the Prince Primate of Hungary, if not to prevent him from voicing the voice of martyrdom, the Hungarian No? For what other reason

is the Archbishop of Kalocsa languishing in chains, for what other reason did the Abbot of the Order of Saint Paul perish on the gallows, for what other reason has Bishop Ordass been thrown into prison, and why did the Prelate of Veszprem die in shackles? They have torn it not only from the mouths of these, but also from the mouths of the lawyer and judge, tearing our legal concepts into tatters and turning the goddess of truth into a daughter of joy. The No was driven out of our homeland with whips, and with this the people of the soil, losing their right to self-determination, fell once again into serfdom. This word No cannot be aired any more even in the smoky factory districts; the press cannot criticize nor rebel any more, science cannot doubt any more, there is no No any more and thus there is no longer free speech, free thought and free conscience! . . .

Yet what they could kill was merely the body of a word and not its spirit. Has the Hungarian nation broken down or capitulated because it cannot throw the word No into the face of the foreigners? Does not the people's will revolt, no matter how strongly their mouths are gagged? Does the Hungarian peasant accept serfdom? the Hungarian worker slavery? has the Hungarian intelligentsia consented to be prostituted? They have denied our lips the right of No, but here is another NO in its stead, written with capitals instead of small letters, the new and unanimous Hungarian *Nem*: the HUNGARIAN NATIONAL OPPOSITION MOVEMENT. The movement whose hundreds of thousands of balloons, expressing the Hungarian people's basic complaints and demands, are floating above the Danube and the Tisza regions. The many silenced and suppressed No's can now be heard all at once, and cannot be silenced ever again. How did [our national poet] Sandor Remenyik once express this?

Shackles on the hand, locks on the lips,
Yet above the clouds and beneath the waters,
The torrents and whirlpool of thoughts exist!
You are free, as a ray of light in an empty void,
Free, as the path of the seas,
It is only your law which restricts!

They believed that when they extinguished the No from our language they extinguished our soul as well. But it did not vanish—instead of the little *nem* it gave birth to the great, the historic NEM: * the National Opposition Movement. "The free man creates himself"—says Wagner's Wotan. The free nation also creates it. Thus the Hungarian nation is creating itself as well. That is why now above the thousand-year-old homeland, balloons are floating, shouting to the world the irrepressible Hungarian NO

* Nemzeti Ellenallasi Mozgalom.



ing "the sham-Hungarians" who speak over Radio Free Europe, and recommending that the leaflets sent to Hungary "be sent instead to Western countries where the kind of propaganda 'The Land Belongs to Those Who Till It' is needed."

In mid-November, the balloons carried in the first issue of *Free Hungary*, the National Opposition's ten-page newspaper, which will be published at regular intervals. The newspaper set forth its platform as follows:

"Free Hungary, carried on the wings of the wind, voices the thoughts and desires of the Hungarian people who are now condemned to silence. We raise our voice at a time when the Opposition of the Hungarian people has achieved concrete results of which the whole world takes note. The Communists retreated in July 1953—but not enough. The regime can still be forced into yielding [a series] of concessions; but these can be extracted from the regime only by broadening and strengthening national opposition.

"Since the Communists took over, this is the first time the Hungarian people have had a free press—a newspaper written with Hungarian hearts and minds, by free Hungarians. *Free Hungary* is the extension of that same free press which Petofi and his followers demanded in their March [1948] Twelve Points. *Free Hungary* is the symbol of national unity . . .

"Kossuth said of his movement: 'It arose spontaneously.' So also, the National Opposition Movement sprang from the will of the people, to weaken the Communist system, quietly, relentlessly.

"The Movement is intangible—it fights with the invisible weapon, a weapon therefore all the more effective: silent opposition. Every man is a soldier in this Movement:

"The worker, who, covertly and secretly, delays production of machines and weapons for the Soviet Union;

"The peasant, who casts off the chains of the kolkhoz;

"The official, who, when the opportunity presents itself, destroys the file of the persecuted.

"*Free Hungary* assists our people in their fight against the Communists."

In contrast to Party-line declarations by puppet spokesmen for the regime, escapees and letters from Hungary report that Operation Focus has produced a "sort of fever" throughout the country, and that "NEM" is being scrawled all over buildings and walls. The first leaflets reported to have landed were picked up by railroad workers in Györ, who found them on freight cars which had come from Veszprém. Subsequently the Communists started a "whispering campaign" in Györ that the balloons contained germs and the the leaflets were also infected. In the elementary schools in Györ, the Communist teachers were able to persuade the parents to forbid the children to pick up the leaflets, but in general "people of course do not believe in these unlikely rumors." According to information in Györ, "the activity of Soviet planes at the Papa (Hungary) Soviet Air Base has considerably increased since the beginning of October. The explanation in Györ is that the jets are hunting the balloons with the intention of destroying them in the air." A refugee reported that the city of Sopron was "snowed under with leaflets" on October 10. Leaflets have been reported in districts from Repcevis and Celldomolk (western Hungary) to Nyírseg (northeast.)

Leaflets read, from top to bottom: "Protect the people, not the regime. Think of the future." . . . "With united strength against tyranny." . . . "Instead of Soviet guns, goods for the consumer." . . . "The only way out [of the collective farms]."

As to popular reaction, a Hungarian businessman declared that "the Focus campaign is taken to mean that the free world has not forgotten the country, but is doing everything it can against the Communist rule. . . . The technical brilliance of the action is greatly admired. . . ." A letter described how "at the Sopronkohida Textile Factory, the workers became quite excited and noisy talking about leaflets, praising their contents. The factory management tried to stop this demonstration and to start a counter-drive, telling the workers they should not believe in what the leaflets say, since after all, they were now living comfortably and the nation now belonged to the people, etc. But the people do not feel that way. . . ." One worker said: "In my opinion, we would need even more leaflets for the workers to realize they are being taken care of. . . ." A soldier in Hungary sent by mail to Radio Free Europe a suggested text for a Demand to be specifically in the name of the Hungarian military.

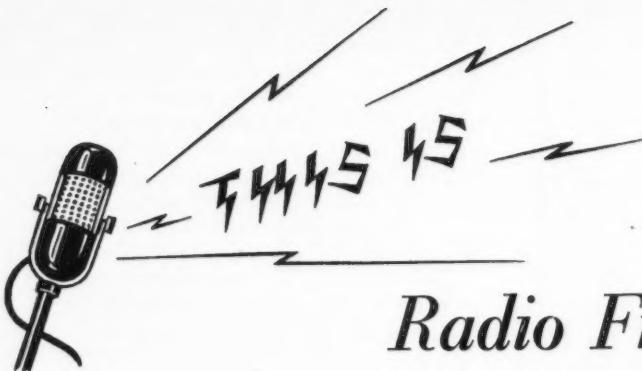
Refugees report that curiosity about the leaflets is so

great that they are bought and sold at high prices in places where they have not yet landed. Jokes and anecdotes are inspired by the campaign: "One would think the regime would be pleased that it is receiving something free from the Americans, not even having to pay for the gathering up of the gifts, since the police force is attending to this phase. . . ." People ask each other "Nem?" to which the answer is "Of course." A letter from Hungary pinpointed the prevailing feeling: "Everywhere, the main thing one hears is that, at last, we have something tangible. . . ."

Once more the people and the regime have chosen opposing sides. The insecurity and "softness" of the Communist government has been further exploited and the National Opposition Movement and their radio (Radio Free Europe) and their press (Free Europe Press) have given added momentum to those forces which the Communists deprecate as "liberalization," but which the people know to be added concessions for a little more food, a little less fear, a little more freedom.

What does passive resistance—opposition without aggression—mean? It means that the people are not willing to identify themselves with a regime in the formation and election of which they did not participate. They do not consider it as their own. They do not give it their support, their sweat and blood; rather, they evade its laws and assist its victims.

from the NEM newspaper *Free Hungary*



Radio Free Europe

Tonight, in the countries behind the Iron Curtain, men, women and children will gather around radios tuned to the voices of their countrymen in the West, bringing them the news of the free world, the knowledge that they are not forgotten, and the hope of their future liberation. Radio Free Europe, operating as a home service from abroad, broadcasts over a network of 23 transmitters to Czechoslovakia, Poland, Hungary, Bulgaria, and Romania, competing directly with all Satellite Communist stations.

"Operation Focus Has Begun. . ."

We bring you a special news broadcast. Starting last night, thousands of balloons are floating over Hungary and are carrying in leaflets the Twelve Demands of the National Opposition Movement [NEM], the spirit of the nation united in an invisible front. Leaflets are falling by the millions on the soil of our fatherland. These balloons are sent on the wings of the wind toward our country from sites west of the Hungarian border. The staff of technicians for the operation fill the plastic balloons with hydrogen and put the leaflets into boxes attached to the balloons. The boxes, when they have reached their destination, automatically release their contents by means of an ingenious device.

The leaflets fan out in the air and fall to the ground like tiny parachutes. One can barely see the falling leaflets while they are floating in the air, but they become visible as they descend everywhere, even in the most remote parts of the country. They proclaim the will of the nation in the street, in the square, in the garden and in the fields. At the time of this broadcast the first balloons have already reached Hungary and leaflets have started to fall in the Lake Balaton area. The task of the operation now beginning is to inform the Hungarian people of the aims of the National Opposition Movement and its first Twelve Demands.

A member of the movement—says the leaflet—is any true Hungarian, regardless of age, sex, religion and occupation; its members are everyone who is opposed to the government and the system which serves foreign interests. The National Opposition Movement is a union based on the cooperation of wide masses of people. It is not a con-

spiracy, nor is it an underground organization built on force—rather, it is the Hungarian people united in a sentiment and will. The Movement lives and acts at home in Hungary, but it has its spokesmen in the free world. Its radio station, the Voice of Free Hungary, has been built on free soil. Henceforth it will also have a printing press. Its aims are propagated by leaflets and balloons.

The first demands of the National Opposition Movement have been drawn up into twelve points. [Here follows a listing of the Twelve Demands.] . . . The final aim of the NEM, according to the leaflet, is a free and democratic society in which the rights of the individual are protected by law; the laws of the land are passed by the freely elected representatives of the people; and the workers and their families are assured healthy living conditions

and a decent life [in which]:

The interests of the workers are protected by free trade unions; national life is based on the inviolability of private property, the family and religion; the land belongs to him who cultivates it. . . .

The small craftsman, the small businessman, and the man in a free profession shall practice their vocations unmolested. . . . The church preaches the word of God unmolested; the intellectual shall state his opinions freely, and every citizen have an equal right to a choice of education and vocation.

As we announced at the beginning of [this] broadcast, the first balloons have reached Hungary and leaflets are falling in great masses in the vicinity of Lake Balaton. The Twelve Demands of the Hungarian Opposition have reached the people.

Calling Communists

In all probability, local Party agent, you are feeling slightly chilled, since, in the past few days, millions and millions of leaflets have suddenly been added to my occasional and discreet admonitions. On every one of these leaflets you will find essentially the same demands which you have been hearing from us for years. Certainly it will distress you that the voice of the National Opposition—already well known to you—is growing louder and louder. You will have to get accustomed to it, to accept the fact that the voice of justice can be smothered for a while but never for good. You must realize that the Voice of the National Opposition will henceforth grow stronger and stronger until the day of reckoning. But I reassure you that you only have reason to tremble if you are truly guilty. You can even look to the future with confidence if you have committed faults but have tried to atone for them.

On this occasion I call your attention to a few opportunities which the Twelve Demands of the National Opposition Movement open up for you. For these demands are being made in the name of the Hungarian people to the Communist government; and thus, if you are really the local representative of the Communist State, also to you. Let us go through these Demands together and see which points concern you or are directly addressed to you. There is the first point, right off, which demands "effective autonomy for the local councils." Though this demand is addressed to the Communist government, it is precisely for you that it demands more rights. However, the statement that "the local councils should represent and defend the real interests of the people, and should not be the executive organs of the State power," is unmistakably addressed to you.

I remind you that I myself have warned you at least fifty times—do not be a blind tool in the hands of the usurpers of power. Now you have even received this warning in the name of the Hungarian people in writing, so you cannot claim that no one has warned you. Neither can you use the excuse from now on that you are helpless against the orders of the Communist State. Thousands and thousands among you have proven that even under the present circumstances, and with limited possibilities, one can serve the interest of the people. There are thousands and thousands of people in the country who have already helped those in need within their own sphere of action. They have proven that it is up to you to show what you are: a man, or a tool in the hands of the regime.

But let us go on, let us examine the fourth point of the demands of the National Opposition Movement. "The land belongs to those who cultivate it." Why is it that now, in the sixth year of the Communist rule which professes agrarian reform, that the NEM is compelled to point this demand at the government, in the name of 100,000 landless people? It is compelled to do it because now, at the end of 1954, there are more big estates in Hungary than there were 15 years ago. Today the number of destitute laborers is far greater than ever before. Just in case you still do not know what the poor farmer expects from the agrarian reform, I shall tell you: Every one wants to be

an independent farmer on his own land. Every single one of them wants, and more than that demands, a share of the land for which his forefathers bled and sweat so much through the centuries. They demand it for themselves, not for the State collectives. They demand: before it is too late, divide the lands of the State farms, distribute to the paupers the ownerless land mockingly called "spare land." Stop every act of violence for the establishment of new kolkhozes or the retention of the old ones. Accept the fact that the Hungarian peasant does not want to be a servant in a kolkhoz or a sovkhoz. I direct this demand at you, local agent, because I well know that you had, and still have, a great part in the foundation of the State estates and the cooperatives. You also have a part in the persecution of the so-called kulaks. You also are partly responsible that at the kolkhoz dissolutions of last year some of the people who resigned did not get back their own land, their animals and their equipment. It is you, in the villages, who carried out the orders which made every concession to the collectives and virtually no concession at all to the individual farmers clinging to their independence. The demand which says: "Equal treatment for the independent farmers and the collectives" is therefore addressed directly to you.

I would also call your attention to Demand Nine. It says: "Put the services and handicrafts into the hands of the people." We know specifically that the local agents played a great part in the disbanding of small scale industry. You were the ones who helped to terrorize the craftsmen into cooperatives and who took away their workshops, machines and tools. Since then you have seen for yourselves many times how much damage is caused by the fact that in the villages there are no, or only a few, smiths, joiners, carpenters, shoemakers, tailors, barbers and shopkeepers. We also know that it will depend on you how many of these will get back their licenses, their workshops and will be provided with raw material.

Finally, look at the Twelfth Demand of the NEM which claims freedom of religion and conscience. How often have you prevented servants of the Church from following their calling? How often have you spied in Church to find out what the priest is preaching, how often have you noted which people were going to church? I believe—I am even certain—that in doing this you were obeying higher orders. You can see that this Twelfth Demand is also addressed directly to you.

Have no doubts about the fact that the National Opposition Movement is truly the voice of the Hungarian masses. Be thankful that today it is setting up such mild demands which can so easily be fulfilled. . . .

Spot

The will of the people, even where it is not allowed to express itself, can overthrow a regime. An unarmed, but united, people is always—and still is today—a greater power than an occupation force and a police force.

Unconvincing Allegations

When Henri Bergson, one of the great thinkers of the century, regained consciousness for a moment on his deathbed, his doctor asked him how he felt, and he answered:

"I feel I am a great burden to myself."

It seems that gradually the People's Democracy too is nearing its end, for it is a great burden to itself. We listen to the news on the Budapest Radio. It says that in Rezkoberence and in Ajak there is no paprika. Not only is there no paprika, there is no sodium bicarbonate, salicyl [a household remedy] and many other things. But let us keep to paprika. Until now we always thought that our country was the paprika center of the world. In international cuisine "paprika" and "Magyar" are synonymous. Our Professor Szentgyorgyi passed his exam in paprika to the extent of winning a Nobel prize. But then in Rezkobecence and in Ajak and obviously in hundreds of other villages one looks for it in vain. What kind of strange magic made it disappear from the market? We listen to hear whether Kossuth (I mean the Radio Kossuth which usurps this sacred name) will clear up the mystery. Indeed it explains clearly. It says . . . but let us quote:

"The supply center sent sufficient amounts to the shop, but the customers bought beyond their needs."

Well, Hungarians are such devils of fellows that they buy paprika, sodium bicarbonate, salicyl and the like beyond what they need. Here is the difference between private and "socialized" commerce. If in the shops of the former the articles are missing, then "private enterprise cannot take care of the workers' needs." On the other hand, if consumer goods run out in the latter, then it is the masses who are not respecting "socialist" commerce. This is a big difference.

The Budapest Radio continues by saying that Mateszaka is in mourning [words of an old song] because of a certain twenty-five wagonloads of potatoes which have rotted in the stores in Szalka. Well, these Hungarians are even more devilish than we thought previously. In one shop they buy enough paprika to last them for two hundred years, so that no one else shall have any; in the other shop they deliberately leave the potatoes to rot. Who can see clearly through all this? We repeat: the People's Democracy by now does not know where its head is. Poor thing, it is a burden to itself.

But let us leave these petty matters; we could repeat hundreds of these if we kept our ear to Radio Kossuth. Let us rather consider the bigger problems: for instance, the fact that the old councils, departing but actually still in office, have given up collecting the delivery [for the State]. They give as their reason the fact that it is not a polite thing to do when the Patriotic People's Front is being formed. Evidently they believe the official propaganda that the Patriotic People's Front means the complete rule of the working classes. And thus, if [the workers] are at the top, it is an awkward thing to rob them. So they have given up collections. If power is to belong to the people, let them also have the grain. . . .



Radio Free Europe headquarters in Munich.

We must point out that this is exactly the position of the NEM, the National Opposition Movement. What is more, it is in accordance with the opinion of Rakosi. We have before us the radio speech which the Party Secretary made in December 1943 in Moscow: "There will be no true democracy, Hungarian democracy, until the farmer can himself decide what he will sow, where he will sell his produce, where to buy, how much to sell for, and how much to buy for." From these words it is evident that in the matter of compulsory deliveries, the resisting councils are in perfect agreement with both the NEM and Rakosi. Since local democracy is equivalent to liberty in production and in marketing, there is no doubt that compulsory delivery is equivalent to darkest fascism. . . .

Szabad Nep argues in its editorial that the State cannot give up compulsory delivery for only so can they, in the event of a rich harvest, hope to export grain in return for raw material. Do you hear? In the event of a good harvest! This is absurd. For not only "in the event of a rich harvest" have we exported grain every year, for centuries. There was always plenty from the Hungarian Canaan for every part of Europe. And formerly there was not as much cultivated lands and supposedly the yield of the Hungarian soil was not as high as it is now. Yet there was enough for export. The regime is very sick, mentally too, if it thinks that it can get away with so obvious a lie and give as a reason for internal plundering the reparations de-

manded by the Soviet Union. Who does not know that it is not a matter of selling the surplus wisely and in the interest of the community, but of robbery? This takes the daily bread out of our mouths and in order to camouflage this diabolical practice they have created a name which at least sounds well: the Patriotic People's Front.

The people, the exploited and degraded people, have created the National Opposition Movement. The mills of history grind slow but sure. We shall soon know which of these two will win the field: the "Front" which has been named "Patriotic," with Russian bayonets at its back; or the unarmed Opposition Movement with the soul of the nation in its voice and in its aims!

"Scum of the Earth"

Magyar Nemzet (Hungarian Nation), the newspaper which had always been worthy of its name, wrote noble pages for the history of Hungary, and under the title "Balloon Policy," wrote about us that we [the Hungarian exiles] are the "scum of the earth." This is what the man [Ivan Boldizsar, present editor of *Magyar Nemzet*, now a regime organ] calls us, the man who through the destruction of all morality can now occupy the seat where once Sandor Petho sat; the man who is today master in that editorial office whose every [pre-Communist] member is today a martyr or a refugee. We are the scum, not he, he who during the World War, in a series of bloodcurdling articles, painted the real picture of Soviet life—for at that time this was good business; the man who in the spring of 1943, published his little encyclopedia honoring Hitler's teachings and his aims—for at that time it was for this kind of thing that money was paid. Are we the scum of the earth, and not he who at the turn taken by world history changed his fancy dress from brown to red? . . . This is the man who writes of us that we are "the scum of the earth," and by writing this his audacity is so impressive that the 50 or 60 thousand *forints* which is paid for his writings seems a paltry fee. . . .

And why are we "the scum of the earth?" According to the article by *Magyar Nemzet*, it is because we are directly responsible for the NEM, its Manifesto, its Twelve Demands. Let us inform *Magyar Nemzet* that our role in connection with this Manifesto and with the Demands is very modest. What is more, even the role played by the NEM is very modest. For the Manifesto and the Demands were born of the Hungarian nation itself, not *Magyar Nemzet (Hungarian Nation)*, but the oppressed and exploited, the plundered and slavedriven Hungarian nation, the millions of Hungarians. It is these millions who wrote the Manifesto and the Demands, and the Opposition Movement only voiced it, and we ourselves only voiced the Opposition Movement, lending it our microphones. Our role is neither more nor less. This *Magyar Nemzet* (that is, the printed *Magyar Nemzet*) knows very well and that is why it distorts the name National Opposition Movement into "National Opposition Committee"—as if this [Movement] were the initiative of only a limited political group. But

no, a hundred times no! They know very well who it is they are facing; the printed *Magyar Nemzet* and the tyrannical regime to which it belongs are facing the oppressed Hungarian nation and the elementary passion of the nation!

After the Budapest paper starts with such coarse falsification, naturally it continues with crude mistakes. Listen to two sentences which we will quote. The first says:

"The Twelve Demands of the National Opposition are a travesty of the March Youth [1848 revolutionary group's] 12 Points."

Do you understand? The NEM is a travesty of Petofi, Vasvary, Irinyi, Joka's Twelve Points. This is what they say, this is what they write.

And now the second sentence:

"The sudden change of their [the exiles'] tone as well as their methods, the taking over of our objectives, proves our success and strength: our sails are swelled by the spring winds of national unity and they are now trying to take this wind from our sails."

This was the second statement, according to which we have taken over and stolen their objectives, slogans and program—but, of course, at the same time they declare that the NEM ridicules the Twelve Points of the March Youth! In other words, their objectives, slogans and programs trample the March Ideas into the dust. No despotism has so far given such an involuntary and foolish admission. Its ideological confusion is so profound that although it hired the most experienced shady publicists of every regime, still its road ends in the swamp of miserable self-criticism!

However, we must admit that the demands of the NEM and the slogans of the regime are really identical. How could it be helped? Our words come from the same root. They say "freedom" and we too say "freedom." They speak of "independence," and we too demand "independence." We profess that the land shall belong to him who works it, and they too preach that the land shall be his who cultivates it. Truly, our words are identical. Only the conceptions covered by these words differ. Our freedom is expressed in the majesty of humanity and in personal dignity, theirs is expressed in personal serfdom. Our "independence" means sovereignty and theirs, subjugation. According to our interpretation, the sower's ownership of his land is his right of individual production and sale, in their interpretation it is confiscation and collectivization. Since they have no pure arguments and no honest standpoint, they play on the phonetic similarity of tones and words, and cynically inquire of us—what does the NEM want, when its demands are identical with the aims of the People's Democracy? However, since there cannot be enough Soviet bayonets and there cannot be enough police handcuffs to overcome the will of the millions of people, *Magyar Nemzet*—the printed one—will soon learn what a mighty power the Hungarian nation—the oppressed one—is, and will also learn what an unbridgeable abyss separates the demands of the Opposition Movement from the "identical" words of the Communist autocracy!

A Pseudo-Treatise of Therapeutics

(About Goiters and Goiter Sufferers)

The following article by Aurel Baranga appeared in *Scintiea* (Bucharest), October 9, 1954. It is a virulent, if heavy-handed, attack on the Communist bureaucracy and self-criticism, and reveals the prevalence of dishonesty, flattery, nepotism, venality, and all the ills native to a corrupt and inefficient managerial structure.

We wish to point out from the very beginning that we do not intend to write a scientific article. Therefore, we shall not deal with exophthalmic goiter or with endemic goiter, but with a new type of goiter which, up to the present, has been insufficiently studied, and which for the time being we shall call *critical goiter*, or more exactly, *anti-critical goiter*.

Symptomatology: the critical goiter, or to be more precise, the anti-critical goiter, appears especially during those sessions when a working man criticizes one of his comrades who is an executive of an enterprise or institution. The one accused, that is the goiter sufferer, lowers his maxilla, that is his jaw, until it is at a 45-degree angle to his chest bone. The goiter then appears in all its aspects. It is a growth beginning under the chin and overflowing towards the Adam's apple. While the man in the conference room continues to criticize, the goiter takes on different shades and hues, becoming in turn white, pearlish, pinkish, red, purple, lilac, violet and even green. When the one who raised the criticism sits down, the goiter sufferer, that is the one who was criticized, gets up and in most cases thanks him, very moved by all the help given, solemnly promising "to liquidate the shortcomings immediately, but immediately." We must say, however, that the real symptoms of goiter appear with virulence only when the session is over.

In most cases of goiter, the situation develops thus: the goiter sufferer, the man criticized, retires to his office closely followed by some of the minor goiter cases who are afraid to utter a word, aware that the atmosphere is heavy, and that it is best to observe respectful silence. After several long and oppressive moments of silence, the one criti-



"Did you call, Mr. Director?"

Szpilki (Warsaw), January 31, 1954

cized, the goiter sufferer, looks at his subordinates with an air of martyrdom, as if to say, "Did you ever expect anything like this?" But the silence continues for a few more distressing moments at the end of which the goiter sufferer, no longer able to bear this moral torture, exclaims: "Well, how do you like that? Of all the people to get up and criticize me, Popescu!"

Long and oppressive moments go by interrupted only by the sighs of subordinate goiter sufferers, sighs which mean: life is no longer possible down here. Finally, the criticized goiter sufferer gives vent to his vexation: "Did you hear that? I am never in the field!"

To this, a minor goiter sufferer, but one whose goiter shows definite signs of development, says, "You, Comrade Director? That's absurd!"

"Yes, for anybody to say that I don't care about the forming of young cadres. But where can I get them from if they are all just good for nothing?"

Another subordinate goiter sufferer adds expertly, with an obvious show of disgust: "They're all lazy good-for-nothing characters, Comrade Director . . . and incompetent at that."

"How can anybody say that I have cut myself off from the masses and that I keep myself in the seclusion of my office all day? What do you say to that? Well, then, let Popescu come here and sign all these papers in my stead."

To this a newly-promoted goiter sufferer ably adds: "Comrade Director, take it easy. This is not worth getting upset about. They are only envious of you. They don't know what to invent next . . ."

"And that I am not at all concerned with the way in which the Plan is fulfilled."

"Can't you see, Comrade Director, that all this is nothing but an intrigue? How could you account for the fact that suddenly this Popescu develops such a great love for the Plan! Besides, he shouldn't poke his nose in other people's business," adds a prizewinner goiter sufferer, be-

cause he happens to be the director's brother-in-law. "Didn't he attack me too?"

At this point, the one who was criticized, the main goiter sufferer, looks at each one of his subordinates one by one and says: "Yes, but he is not going to get away with it this time."

Evolution of the malady: From then on, the critical or anti-critical goiter evolves as follows:

The day after the session we spoke of, the goiter sufferer begins to go through Popescu's file. His past, present, future, his family, social origin, his political beliefs, the schools he has attended, his professional qualifications, his health, vaccinations, inclinations and aptitudes—pleonasms mean nothing to him—his relations, aspirations; in short, everything, is scrutinized with a magnifying glass. Afterwards, what follows is something which depends on the nature of the goiter.

At this point we must make a classification and distinction, although very brief. There exists, for example, the coarse goiter, the elementary and violent kind, devoid of experience. This jaundiced kind of goiter acts thus:

"Comrade Director, what shall we do with the position open in Ciorogari?"

"What's the matter with it?"

"Nobody wants to go there."

"Really? What do you mean?"

"They all say it's too far and that they have families."

"You don't say! Well, then, let's send Popescu."

"He's got a family too."

"So what? Don't I have one as well?"

The subordinate, if he also has the beginnings of a goiter, does not answer, ". . . yes, but you are not leaving." On the contrary, he keeps quiet. And so it happens that although he has nothing in common with the job, Popescu is transferred to Ciorogari. As we have said before, these are the symptoms of primitive goiter.

But a more refined type of goiter exists, which acts thus:

"Comrade Director, we must send someone to school."

"Very well. Whom were you thinking of?"

"We thought of Tiulescu."

"Tiulescu?" says the goiter case with an expression in which one can read simultaneous surprise, stupefaction and sadness. "My congratulations! A wonderful choice! I have nothing to say."

If the subordinate has a tendency to develop a goiter, he will answer: "And you, Comrade Director, whom did you have in mind?"

"Well, let me see. . . ." And then, as if the idea had just come to him, ". . . what about sending Popescu?"

If the comrade who raised the question about the school is even more seriously affected by goiter—although the symptoms may not always be evident—he makes sure not to say, "But Popescu has already been there," knowing that the Comrade Director would be happy to have Popescu anywhere, even at school, in order to get him out of the enterprise or institution, and he will then answer: "That is an excellent choice, Comrade Director. Let's send Popescu then."

There exists still another kind of goiter, which we shall call the hypertoxic or hypersubtle type, and which generally behaves thus:

The day after the meeting during which the goiter sufferer was criticized, Popescu is called to the Director's office. The criticized one thanks Popescu once more for having helped him.

"You don't realize, Comrade, what a service you have rendered me, I confess, Comrade, that now I see the situation in a completely different light. But you see, Comrade, not all the comrades would have done as you have done, Comrade."

After that Popescu is praised for his achievements, for his orientation, for his dedication, courage and initiative, and the offer is made to him to "help" the management even more closely. Popescu is taken away from the production line and brought to the side of the Director, who needs men "full of promise." Popescu is then entrusted with important assignments; he becomes a member of all kinds of delegations, and sometimes his name is submitted for decorations. That only happens if Popescu plays ball and consents to consider the Comrade Director as an "exceptional man who has very rapidly liquidated all his shortcomings."

If everything proceeds according to this plan, then one day looking in the mirror, Popescu will notice that his teeth have fallen out and that, in return, a growth has made its appearance under his own chin overflowing solemnly toward the knot of his tie. In other words, the malady has become apparent in him too. Thus, it will have been clearly demonstrated that the critical, or rather anti-critical, goiter is a contagious disease.

Treatment: The treatment of the critical or anti-critical goiter consists of three different things: 1. medical treatment, 2. sending the patient to spas and mineral water resorts, 3. surgical treatment. The medical treatment consists of repeated critical rubdowns; in recidivist cases, the shock treatment, that is, repeated and persistent joltings before the entire collective. At the beginning, the goiter sufferer bears this treatment with difficulty but the results are generally satisfactory. The essential part of this kind of treatment is that by applying it regularly to the main goiter sufferer, even the lesser ones get rid of their disease. If such treatment is not effective, if we are confronted with frequent relapses, the patient should be sent to a spa. In our country there is a place that produces miraculous results: the spa is called "work in the lower echelons."

The most severe cases, complicated by infections and abscesses, are treated surgically through the extirpation of the goiter and the goiter sufferer at the same time. (Care must be taken so that the extirpated goiter sufferer may not show up somewhere else, in another position of responsibility. Such cases have been brought to our attention.)

Prophylactic and Sanitary Measures: The Ministry of Moral Health orders that all institutions, enterprises and places of work put up posters with the following slogan: "Workers, don't let yourself be intimidated by the goiter cases! Criticize!"

Current Developments

Hungary

PPF Congress

The first Congress of the new Patriotic People's Front (see NBIC, October 1954, p. 45) was held in Budapest on October 23-24. The Congress elected the 105 members of the PPF National Council and heard a number of speeches from regime leaders.

According to the statutes of the PPF, as published in *Szabad Nep* (Budapest), October 27, the National Congress will convene every two years, and is the supreme body of the organization. Between sessions of the Congress the Front will be directed by the National Council, headed by the President of the PPF, whom the Council elects from its members. The Council also chooses from its members several vice-presidents, a secretary general and others, to constitute an Executive Board numbering twenty one. Both the Council and its Board may make suggestions to the government, either the National Assembly or the Presidium, concerning legislation affecting the people or the selection of Ministers.

The current desire of the regime to gain the support of the intelligentsia is indicated by the composition of the newly elected Council, 68 members of which are intellectuals, largely educators. Of the remaining Council members 21 are Party functionaries, 10 are peasants and 6 are workers. The names of two former government Ministers, Gyula Kallai and Janos Kadar, appeared in the list of Council members. Both these men were arrested in 1951, and this is the first indication of their release. Kallai is a former Minister of Foreign Affairs and Politburo member, Kadar had been Minister of the Interior and Deputy Secretary-General of the Party. The release and election to the PPF Council of these men probably reflects an attempt by the Party to halt the "sectarian trend" within its ranks; "rightists" are presumably being brought back to counter-balance the "leftist danger."



Caption: "I beg your pardon, can you tell me where Incomplete Street is?"

"Yes, everywhere."
(The word for Incomplete in Polish is *Niecalna*, and is a common street name.)

Szpilki (Warsaw), October 24, 1954

The Executive Board, where actual control of the organization is exercised, is headed by PPF President Pal Szabo, a writer and former member of the National Peasant Party. The PPF Vice-Presidents are: Minister of People's Culture Jozsef Darvas, Presidium Chairman Istvan Dob, Prime Minister Imre Nagy, First Secretary of the Party Central Committee Matyas Rakosi, and Ferenc Harrer. Other members of the Board include the composer Zoltan Kodaly, Minister of Agriculture Ferenc Erdei, Calvinist Bishop Albert Bereczky, and Joseph Mekis, chairman of the National Council of Trade Unions. There are also two workers, a "middle" peasant, and a kolkhoz president.

In addition to the National Council and its Executive Board, there is a PPF National Office, headed by the Secretary General of the Council, Ferenc Janosi, Deputy Minister of People's Culture. This National Office performs the bureaucratic and financial functions of the organization.

The PPF is organized on regional levels in the following agencies: Budapest PPF Committee, 70 members; County PPF Committees, 50-70 members; City PPF Committees, 30-50 members; District PPF Committees, 15-40 members. These regional bodies appoint local election boards, convene meetings to select National Assembly and national council candidates, appoint these candidates on the basis of "recommendations" from such meetings, and generally supervise the elections. They also call meetings in which PPF representatives discuss important issues and report on their local activities.

The local bodies of the PPF consist of the Budapest Borough PPF Committees, city Borough PPF Committees, and town and village PPF Committees. These, the lowest level of the PPF organization, elect the regional committees, assist in drawing up local economic plans, help in the establishment of reading circles and farmers' groups for cultural activities and indoctrination, improve and beautify

their localities and oversee the celebration of national holidays.

The PPF is composed of the members of mass organizations, such as trade unions, of cultural and social organizations and cooperatives, which "accept as their own the goals of the PPF," and of Party members. In addition, persons belonging to none of these member organizations may join.

Speakers at the Congress stressed the wide scope of the PPF. Darvas, as reported in *Szabad Nep*, October 24, stated that "For us, today, the policy of national unity, of national collaboration, is the only possible and successful policy." Singing out the intelligentsia, he continued:

"We appeal—and I think we may rightfully appeal—to the deep patriotic feeling of the intelligentsia. . . . One of the most beautiful tasks of the PPF is to create a place within its ranks for the entire Hungarian intelligentsia and to make them good workers in the creation of national unity."

Darvas proceeded to criticize the youth of the country:

"The bringing up of a patriotic, progressive-minded and diligent new generation is a national cause; it is the task of our entire society. All the more so, since there are grave difficulties with some of our young people. We sometimes meet appalling examples of empty-headedness, cynicism and the zoot-suiter spirit."

Nagy, speaking on the second day of the Congress, also emphasized the need for national unity, and once again found it necessary to reaffirm the New Course:

"The Hungarian Workers [Communist] Party, as well as the government, has firmly based its policy on the June program; it will not go half way, it will consistently proceed on the June road. It is the duty of the PPF, together with our entire toiling people, to enter upon this June road." (*Szabad Nep*, October 25.)

A resolution passed by the Congress summed up the functions of the PPF:

"The PPF is our . . . most extensive social-political movement under the guidance of the . . . Party and with the participation of the broadest mass of non-Party workers. . . . It is the task of the PPF to make propositions serving the interests and expressing the views of the people on all important problems in our political, social, economic and cultural life, and through many-sided activities to promote the realization of our great historic goals . . . to assist in the disciplined and exact performance of our people's economic plans, to promote the large-scale further development of agriculture . . . to promote culture . . . to promote the education of our youth . . . to wage a consistent struggle for the improvement of our State apparatus and against bureaucracy; to assist the councils in their work of carrying out the Party and government resolutions." (*Szabad Nep*, October 27.)

It is apparent that the Hungarian regime intends to proceed with its broadening PPF policy, despite the "left sectarian" opposition that has appeared within the Party, and despite the possible dangers of providing a focus for mass opposition to the regime.

Administrative Changes

There have been continued administrative reshufflings in the government and ministries (see NBIC, November 1954, p. 50). According to *Szabad Nep*, October 31, Istvan Hidas, who earlier in the month was made Minister of Chemical Industries and Electricity after the dissolution of his Ministry of Heavy Industry, has now been relieved of that position and elected Deputy Chairman of the Council of Ministers. Andras Hegedus has been removed as Minister of Agriculture, retaining without portfolio his position as First Deputy Prime Minister (with Erno Gero). The Ministry of Agriculture has been split, a new Ministry of State Farms having been formed.

Other ministerial changes announced were: Arpad Kiss from Minister of Light Industry to Minister of Chemical Industries and Electricity; Bela Szalai from President of the National Planning Office to Minister of Light Industry; Ferenc Erdei from Minister of Justice to Minister of Agriculture; Erik Molnar from President of the Supreme Court to Minister of Justice; Andor Berei appointed President of the National Planning Office and Jozsef Domokos elected President of the Supreme Court. Gyorgy Pogacsas, former Deputy Minister of Agriculture, has been made head of the new Ministry of State Farms.

The appointment of Szalai, who has been one of the strongest proponents of the New Course, to the important Ministry of Light Industries, is indicative of the regime's intention to press forward with its program of emphasizing consumer goods. The promotions of Hidas, Domokos and Molnar would seem to indicate that the influence of First Party Secretary Matyas Rakosi is still strong. Molnar and Hidas have been closely associated with Rakosi, and Domokos was his defence counsel in the 1925 trial.

There are now four Deputy Prime Ministers, First Deputies Gero and Hegedus, and Deputies Hidas and Antal Apro, all without ministerial portfolios. These will doubtless function as overall policy makers and coordinators in the attempt to bring the Hungarian economy out of its present difficulties.

Greater Autonomy for Local Councils

The Council of Ministers has promulgated a decree placing "under the direction of the councils . . . all industrial, building, communications, trade, people's educational and other enterprises and institutions concerned with consumer supply and other services needed for the local population that use local materials or by-products and waste materials which cannot be economically utilized by large industry." (Radio Budapest, November 4.)

This decree, greatly enhancing the degree of local autonomy and decentralization, also provides that the local councils will receive 150 million *forints* in excess of the amount scheduled under the Plan. Among the enterprises to be operated by city, village, township and city district councils are 7600 stores and institutions including: all pharmacies, 641 mills, 2767 motion picture theaters, 15 legitimate theaters, 3800 libraries, 59 museums, 98 stores, 4 children's hospitals and 15 midwife and nurse training schools. A decree of September 24 had already placed the

A Strange Man

The story below is a word-by-word translation of an article in Poland's leading humorous weekly, Szpilki (Warsaw), August 8, 1954. Although it is intended to give a satirical picture of an incompetent and pompous bureaucrat (which it does), it also inadvertently casts a clear light on the true nature of Communist "elections," as well as the people's response to them.

YESTERDAY a meeting was held in our village which was honored by the presence of a representative of the District Association of Rural Cooperatives. A small individual, bald, but it was nice to have him anyway. He sat there, making notes, looking tired. When it came to election, our guest handed a piece of paper to the chairman of the meeting.

"The nomination committee," the chairman said, "submits the following names as candidates for posts in our cooperative's executive committee. . . ."

He raised the sheet of paper so he could read it better and began:

"Citizen Kwaitkowski. . . ."

A thunder of applause rolled over the room.

"Citizen Brzeszczot. . . ."

"Long live citizen Brzeszczot!" we answered.

"Citizen Gardziel. . . ."

Applause, applause.

"Who votes for them?" the chairman asked. "All of you? Thank you. Those elected take seats at the presidium table."

A new wave of enthusiasm. When our applause subsided, the chairman again invited the elected citizens to take their seats at the table. Nobody got up. The representative of the District Association leaned towards the chairman and whispered something in his ear. Then the chairman asked:

"Is citizen Kwaitkowski here?"

Silence.

"And citizen Brzeszczot?"

No Brzeszczot. No citizen Gardziel.

"There isn't anybody with those names in our village," Zyzio, an idiot who always complicates people's lives, said.

Frantically, the representative of the District Association of Rural Cooperatives began going through all his pockets. Soon he informed us that he had made a mistake; the list of names belonged to another district. This gave him occasion to deliver a brief, but eloquent lecture on mistakes, errors, etc.

A strange man.

He mixed up the lists himself and then he blamed us.

A really strange man.

entire bakery industry under the direction of the local councils.

In his speech at the PPF Congress (see above), Darvas spoke of the relations between local councils and the PPF. Neither is to be subordinate to the other, he said, although councils must report on their activities to the PPF.

Joint Companies Dissolved

Following similar developments elsewhere in the area (see NBIC, November 1954, pp. 52 and 55), all four Soviet-Hungarian joint companies have been dissolved, according to an announcement in *Pravda* (Moscow), November 7. The value of the Soviet share in the companies will be paid by Hungary "over a period of several years on favorable conditions." No specific figures on the time or amount of payments were given.

The four companies dissolved were: *Meszhart* (steamships), *Maszovlet* (internal airline), *Maszolaj* (oil), and *Maszobal* (bauxite and aluminum). The move continues the trend giving greater economic autonomy to the satellites, although the repayments will do much to maintain Soviet control of the economy.

Unemployment

Urban unemployment as a result of rationalization in heavy industry and the bureaucratic apparatus (see NBIC, November 1954, p. 51) is apparently still a problem. In an attempt to alleviate the difficulties of the unemployed

who have not yet been absorbed into agriculture, mining or the consumer goods industries, the National Council of Trade Unions has provided for emergency unemployment payments to its members, according to *Szabad Nep*, October 9. There will be one payment of 250 *forints* if the unemployed has a wage earner in his family, and 500 *forints* if he has not. A worker released from his job because of rationalization may obtain this payment if he has been a union member for a year and has regularly paid his dues, or has been a union member for over a year and is not more than three months behind in his dues. He must also be unemployed for at least six weeks, and be ineligible for a pension.

Atomic Research

Recent press articles have revealed completion of the Central Physics Research Organization laboratories on Csilleberc Mountain, headed by physicist Istvan Kovacs. *Nepszava* (Budapest), October 1, quotes Professor Karoly Simonyi, one of the laboratory scientists, as having said: "We have performed the first transformation of the atomic nucleus in our country. . . ."

It may be gathered from the article that the laboratory has transformed lithium into helium by deuteron bombardment, using a one million volt Van de Graaf generator to power a 800,000 volt cascade accelerator. It is stated that a five million volt generator is now under construction. The article also speaks of the future production of "artificial radioactive materials."

An article in *Szabad Ifjusag* (Budapest), September 21, entitled "The Healing Atom," announced that "A valuable shipment from the Soviet Union has been received by the Central Physics Research Organization: various radioisotopes which will enable Hungarian scientists to embark on new research projects. These . . . open up practically unlimited possibilities in the field of medical and biological research."

Czechoslovakia

Election Campaign

Registration of candidates for the National Assembly elections (see NBIC, November 1954, p. 53) was completed by November 5, according to *Rude Pravo* (Prague) of that date. The election, on November 28, will be a typical Communist single-slate affair, with only one candidate in each of the 368 election districts. The process of nominating candidates, controlled and directed by the National Front, apparently passed off smoothly and in the manner planned by the regime. An intensive press and radio campaign has been mounted in an attempt to assure as large a vote as possible, and to encourage workers and farmers to undertake special work pledges in honor of the election.

Trials

In an attempt to gain mass support by appealing to the patriotic emotions of the population, the regime has held two show trials in which opposition to the regime was associated with "foreign espionage." One of these was directed against former prominent Social Democratic politicians, civil servants and intellectuals. Vladimir Goerner, Vaclav Koubek, Zdenek Kreidl, Ladislav Picman, Frantisek Trzicky and others unnamed were tried and convicted "recently" before the Supreme Court in Prague, according to a Radio Prague broadcast of November 3. Goerner was a member of the National Assembly before the Communist coup; Trzicky had been the National Public Prosecutor in the great postwar trials of members of the Protectorate Cabinet accused of collaboration with the Nazis. *

The defendants were accused of high treason and espionage, of being "old lackeys of the bourgeoisie [who] had set up an illegal antistate organization on Czechoslovak territory . . . to destroy the people's democratic order with the aid of Western imperialists . . ." The regime also took the opportunity to propagandize against the new West European Union by including in the accusation statements that "the realization of their [the defendants'] program would have led to the loss of Czechoslovakia's sovereignty and independence. Our Republic was to have been included in the so-called European Union under American command."

All of the defendants "admitted their guilt in the face of the evidence against them." The Supreme Court found them all guilty of high treason and, in some cases, of espionage. Goerner, Koubek and Kreidl were sentenced to life imprisonment; Picman and Trzicky to 25 years. The other defendants received prison sentences "graded according to the extent of their crimes—all the defendants were deprived of their property and their civil rights."

Another such show trial was held in Milevsko on October 25-26, when a "seven member antistate group" was accused of having "terrorized peaceful citizens, carried out destructive actions . . . tried to cause the overthrow of the people's democratic state . . . by means of espionage and in cooperation with a foreign espionage service." The defendants were: Jaroslav Sirotek, Bohumil Sima, Joseph Novak, Jiri Dolista, Ladislav Simek and Karel Kothers.

The group was charged with having begun its "criminal activities by attempting to prevent the formation of a kolkhoz at Nechvalice by cutting off electricity supplies at the constituent meeting of the collective in the spring of 1949." The accusations went on to include armed attack on Communist Party offices resulting in the killing of a National Security Corpsman, contact with "the hostile espionage service" in West Germany, an attempt "to cause the collapse of a new building in one of our factories by tampering with the quality of the concrete," and the distribution of "leaflets [that] terrorized the peaceful population." The defendants were said to have possessed at the time of their arrest an arsenal including 21 pistols, five submachine guns and seven kilograms of explosives.

All seven defendants "admitted" their guilt. Rezac, the leader, Sirotek and Sima were sentenced to death, the others received prison sentences varying from 21 years to life.

By such a catch-all trial, in which foreign espionage, anti-regime propaganda, anti-kolkhoz activities, poor quality industrial production and armed insurrection are all linked together, the regime apparently hopes to brand any opposition or any failures as the work of "agents of American imperialism."

The selective campaign against "kulaks" (see NBIC, November 1954, p. 54) continued, with a considerable number of trials of peasants accused of having infiltrated collectives to plot their failure, and of having failed to fulfill compulsory delivery quotas. The usual long-term prison sentences, property confiscations and deprivations of civil rights were handed down, and the trials and sentences were given wide publicity in regional and local newspapers.

Trade Union Elections

The Central Trade Union Council, meeting on November 4-5, has ordered that elections of new trade union Factory Committees, the basic union organizations, be held from November 15 to December 31, according to a Radio Prague announcement of November 4. The Council also scheduled the convocation of regional union conferences by February 15, 1955, the General Congresses of the individual unions by April 15, and the Third General Congress of Trade Unions on May 19.

The elections of Factory Committees had been scheduled for the spring of this year, but were postponed to "October or November" for the ostensible reason that the "directing organs of the trade unions would . . . be changed in the middle of the economic year, and the smooth fulfillment of production tasks would therefore suffer." (*Prace* [Prague], March 21, 1954.) It is probable that the regime feared the results of these elections on the lowest trade

union levels, where worker opposition to the regime is concentrated.

Now, after the experience gained in the June national committee election, and with the preparations for the National Assembly single-slate elections proceeding smoothly, the regime apparently feels enough confidence in the agitational and control abilities of its union activists to hold the election. Nevertheless, these elections, in which workers with a strong pre-Communist tradition of free unions will fill 800,000 Committee positions, present certain risks to the regime. There are simply not enough Party members or supporters to fill all the Factory Committees, and the regime must depend on the abilities of its political reliable to assure that the men chosen are those least opposed to the regime and most amenable to control. It would have been difficult to postpone longer the Factory Committee elections, for the proper functioning of the unions as goads to production is extremely important to the regime.

This importance was made clear by Josef Tesla, First Secretary of the Central Council of Trade Unions, the major speaker at the Council meeting. As reported over Radio Prague, November 4, he stressed the need for greater production in all fields, particularly those emphasized by the New Course:

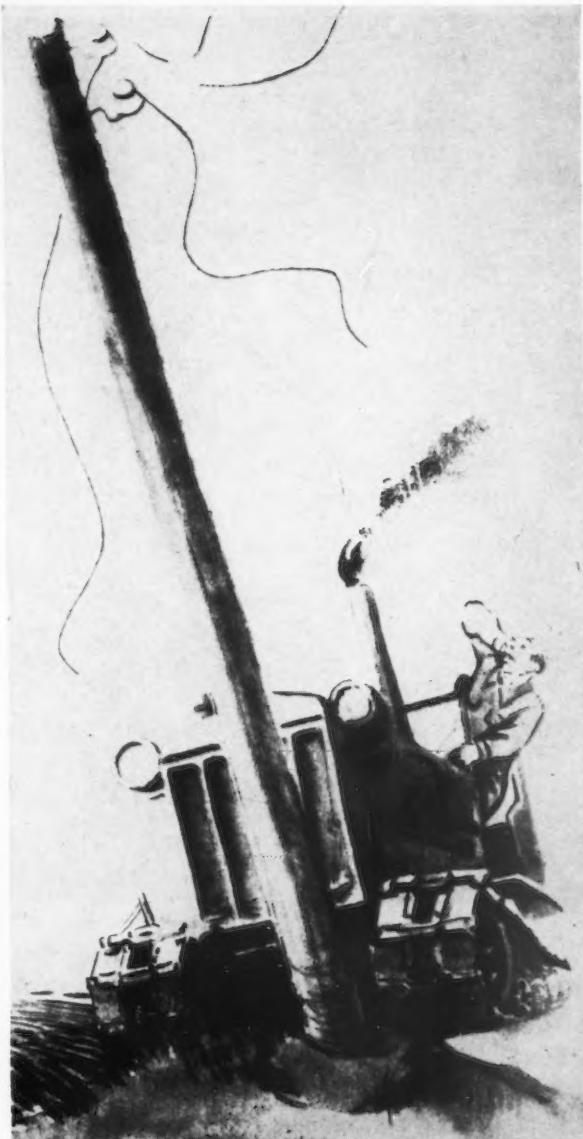
"... the election to Factory Committees and the preparations for the conferences of individual unions and the Third Union Congress will be connected inseparably with our homeland's daily life. . . . Increased efforts will be required to secure the execution of all tasks on which depends the further successful building of socialism."

After reciting the economic advances achieved by the Communist regime, he continued:

"Agricultural production, particularly livestock production, must be increased. The expansion of the fuel, raw material and power bases must be secured. The production of goods for daily consumption must be expanded and improved. The quality of the transport services must be improved and economy measures must be strengthened everywhere."

There followed a series of complaints of failures in production and productivity for which the unions were held partially responsible and which they are now expected to counteract:

"It must be admitted that, following the successful implementation of production tasks in the first half of 1954, self-satisfaction has prevailed in our factories, and that the summer months were marked by a carelessness as if there were no shortcomings. . . . This harmful and unjustified carelessness was also reflected in our trade union organizations. . . . In addition to shortcomings in the implementation of production tasks, particularly serious problems have arisen in the fulfillment of various production indicators—indicators such as the growth of work productivity as compared to wages, the exceeding of planned production costs, the growth of excessive stocks, the failure to fulfill Plan targets for accumulations. . . . The declining tendency in the development of work productivity must induce all trade union organizations and workers . . . to give up their carelessness and self-satisfaction. . . . The seriousness of the situation . . . becomes fully clear if we realize that the draft of the 1955 Plan stipulates an increased industrial output



Title: MTS schools sometime graduate inadequately prepared personnel.

Caption: "I was darn lucky to meet this post on my way. Otherwise I wouldn't have known how to stop the tractor . . ."

Urzica (Bucharest), July 10, 1954.

in 1955 to be achieved to an extent of 90 percent by increases in work productivity. . . . The failure to adhere to labor discipline, absenteeism and fluctuations of labor are also serious causes of the non-implementation of Plan targets for work productivity. These are also features which must not for a moment be forgotten by trade union organizations."

Tesla also denounced the increase of average wages over planned levels, and called for "Socialist competition" to



Caption: Nepotism. Szpilki (Warsaw), October 24, 1954

become increasingly the "daily concern of the trade union organizations in the factories."

Romania Congress Postponed

The Second Congress of the Romanian Workers' (Communist) Party, scheduled for October 30, has been postponed "at the request of some Party organizations," Radio Bucharest announced on October 28. The decision was made by the Plenum of the Party's Central Committee; the necessity for Party organizations and activists to devote their energies to the autumn sowing and collection drives was given as the reason for the delay. No future date for the Congress was announced.

According to the 1948 Party Statutes, which specify that a Congress is to be held every three years, the Second Congress should have taken place in 1951. There was no mention of it, however, until an August 1953 announcement that the Congress would meet in March 1954. No preparations were made for the Congress, and in April 1954 the October 30 date was set.

The decision to postpone the Congress presumably was

made around October 12 (the Party newspaper *Scintea* ceased publication of reports on competitions in honor of the Congress on that date; *România Libera*, the organ of the national councils, and *Scintea Tineretului*, the youth organization newspaper, discontinued such reports on October 15). This was a few days after the announcement of the trial and sentencing of Vasile Luca (see NBIC, November 1954, p. 52), and at a time when the regional organizations of the Party were meeting.

The probable reason for the continued postponements of the Congress is the unsatisfactory condition of the economy, making it impossible for the Congress to perform its usual function of announcing past economic gains and plans for future development. Among the most serious difficulties is the poor harvest this year. The report of the Commission appointed to investigate the reasons for the bad harvest blamed it on the failure of the Party and Government to take proper "technical-organizational" measures, as well as on bad weather (*Scintea* [Bucharest], October 15).

Romania is now the only satellite-area country that has not held a Party Congress to adjust its Statutes to the new Soviet Party Statutes promulgated by the Soviet Party Con-

gress in October 1952. In addition, all other major satellites have had Party Congresses since the Berlin Big Four conference of January 1954, largely to present a propaganda effect of area solidarity. The continued postponement of the Romanian Congress, therefore, may be taken as evidence of serious difficulties within the country.

Bulgaria

National Assembly

The second regular session of the National Assembly opened and closed on the afternoon of November 1, according to an announcement from Radio Sofia of the same date. The Assembly, which was elected in December 1953, held its first session on January 14.

Among the bills passed unanimously by the Assembly was one approving all decrees issued by the Presidium of the Assembly up to October 31. The body also passed a measure relieving Presidium members Dimitur Dimov and Ali Rafiev of their posts for "transfer to other positions," and elected Dr. Ivan Pashov and Hristo Kalaidzhiev to fill their positions.

Open Party Meetings

An editorial in *Rabotnicheskoe Delo* (Sofia), October 19, has called for open meetings of the primary Party organizations, "Party meetings that may be attended not only by Party members and candidates but by working people as well, with a view to strengthening the ties of the Party with the masses and creating a large non-Party *aktiv*."

At the Sixth Party Congress in February 1954, Party rules were changed to permit open meetings. The *Rabotnicheskoe Delo* editorial, however, is the first published demand that this new rule be implemented.

This marked variance in normal Communist practice represents an attempt to attain the New Course goals of greater cooperation between the regime and the people, increased criticism from below, and collective leadership. The open Party meetings are expected to discuss such matters as "important government and Party decisions, economic and production problems, questions connected with raising the living standards of the working people, and, upon decision of the Party organization, certain organizational matters such as the admission of candidate Party members."

Poland

Youth Congress Postponed

The second Congress of ZMP, the Polish Communist Youth organization, scheduled for November 19, has been postponed to January 1955, according to a Radio Warsaw announcement of October 22. The official reason for the postponement was "the necessity for youth to participate most actively in the pre-electoral campaign for national councils and to improve the political work within the ZMP."

Although it is doubtless true that the ZMP is expected to take a vigorous part in the campaign agitation, there are also indications of difficulties within the organization

which probably provided additional motive for the postponement. On October 23, Radio Warsaw announced the dismissal of Stanislaw Pilawka, chairman of the ZMP Executive Committee, together with Committee Secretaries Tadeusz Rudolf and Jerzy Feliksak. Pilawka had been appointed to his position as recently as March 1953. He has been replaced by Helena Jaworska, editor of *Sztandar Młodych*, the official ZMP newspaper.

This shake-up in the ZMP direction reflects regime concern over the failure of the organization to mobilize the youth of the country, particularly in rural areas. Tadeusz Rudolf, speaking at the Party Congress in March of this year, stated that over two million rural youth were "out of reach" of ZMP organizations (*Trybuna Ludu*, March 18). There are only 340,000 peasant youths in the ZMP, and most of these are in areas already collectivized. The uncollectivized areas are largely without Communist youth organizations, and it is in those areas that they are most needed to further the intensive collectivization campaign called for by the last Party Congress. Even in existing ZMP units, *Sztandar Młodych* (Warsaw), September 11, complained, its "members in the smaller villages are not persuaded of the superiority of collective farms."

In cities, also, the ZMP has apparently failed to enlist large segments of its prospective membership. Pilawka stated at the Party Congress that because of the "weak" core of workers in the ZMP, many workers were "falling under the influence of bourgeois elements and tending toward ideological deviation" (*Nowe Drogi* [Warsaw], March 1954). He added that in "many" factories no more than one-tenth of the eligible youths have joined the ZMP. There have been a great many press complaints, as elsewhere in the area, of "hooliganism" and delinquency among urban youth.

Election Campaign

Preparations are proceeding rapidly for the December 5 national council elections. The list of candidates to the Warsaw national council has been completed and published in *Trybuna Ludu* (Warsaw), November 9, 10, 11. Of the 250 candidates for as many positions, 113 are identified as Polish Workers' (Communist) Party members, 14 as Democratic Party members, 3 as United Peasant Party members (these two parties are puppet organizations controlled by the Communists), 12 as Communist Youth Organization (ZMP) members, 4 as army officers, 98 as without political affiliation, 4 as priests or Catholic laymen. Two candidates were listed without identification. The council will be composed, therefore, of approximately 146 Communist dependents and 102 "non-politicals." This is about the ratio of the present councils.

The list of members of the eleven district election commissions for Warsaw, published in the October 15 *Trybuna Ludu*, indicates that it has been selected from all social strata. With an eye to minimizing the most obvious aspects of Party control of the elections, only 6 of the 118 commissioners are identified as Party activists. All eleven chairmen of the commissions are white-collar workers, two of them teachers.

In the intensive pre-election press agitation, there have been a number of references to attempts of "kulaks" to gain control of the new rural commune national councils. *Trybuna Ludu*, October 29, said that "The campaign is being carried out amid a severe class struggle—kulak attempts to fill the councils with their own men, and attacks by reactionary elements." On November 3 the newspaper complained that ". . . the kulak and speculator elements get furious and continue their fight. Forced to reconcile themselves with the formation of commune councils, they try to smuggle their men into the councils, men who would cover up their dirty machinations."

These attacks probably indicate that the peasants, taking advantage of the reorganization providing for national councils on the lowest rural administrative level, are attempting to nominate men not wholly subservient to the regime.

These peasant attempts are apparently being aided by the failure of some political activists to take the elections seriously and to carry out campaign agitation with the required intensity. *Trybuna Ludu*, October 24, carried an article denouncing the attitude among Party members that the campaign is unimportant since the regime cannot fail to win the single-slate elections. The article gives examples of failures to send "the best Party and non-Party activists to the villages. . . ." On the other hand, indicating the difficulties of holding a controlled election under the fiction of a free one, it also censures those activists who treat "such an important problem as the setting up of commune committees of the National Front by administrative methods."

"They simply distributed among the village leaders

. . . a speech entitled 'The Organs of the People's Authorities Closer to the Masses'. The village leaders read out the speech and then presented a piece of paper with the names of the candidates for local National Front committees.

Those present at meetings voted for the names. Thus formalities have been given their due. But how much harm have such methods brought to the cause of elections!"

Swiatlo

The regime has reacted violently to the September announcement by the United States of the defection of Josef Swiatlo on December 6, 1953. Swiatlo, who was Deputy Chief of the Ministry of Public Security department charged with Party security, is now called a "provocateur and agent of the American intelligence." (Radio Warsaw, October 25.) The broadcast stated that Swiatlo, "with the aid of false records concerning his past, [and] taking advantage of the absence of sufficient control, managed to settle himself in the apparatus of public security. . . . Through the fabrication of false evidence . . . [he] carried out criminal activities, slandering and implicating a number of citizens."

Among the crimes imputed to Swiatlo in his capacity of "agent-provocateur" was the arrest of Hermann Field, "whose case Swiatlo had purposely provoked . . . with a particular shrewdness. . . . It has been established that the charges leveled against Hermann Field were baseless."

The reason for Swiatlo's flight from Poland was given as the fear of exposure "as the result of investigations already started."

Logical Reduction

In Czechoslovakia, a worker approached the factory manager for a wage increase.

"Well, we will have to see first if there is any ground for your request," said the manager. "It is understood, of course, that in the Socialist society the worker is paid according to his work: no work, no pay."

"Yes, that is right," said the worker.

"Now, the year has 365 days, but of course you do not work all that time. You sleep 8 hours a day which makes 121 days a year to be deducted. Now 244 days are left, but you only work 8 hours a day and the other 8 hours you are off which leaves 123 days to be accounted for."

"However," continued the manager, "you do not work on Sundays, so let us deduct 52 days a year, which leaves only 71 days. But you get half Saturday off, so it is necessary to deduct another 26 days, which leaves only 45 days of work. But you receive one hour free for lunch every day, which makes 15 days a year, so in fact only 30 days remain to be accounted for. Out of that, 11 days are national holidays; then you have 14 days vacation, and at least 4 days a year you do not work because of illness. Eventually, only one day is left and that is the First of May. In view of this, I do not see any valid reason to grant your request for a wage increase."

Recent and Related

The Formation of the Soviet Union—Communism and Nationalism, 1917-1923, by Richard Pipes (*Harvard*: \$6.50). A history of the disintegration of the Russian Empire and the establishment of the Communist state. The author, a Research Associate at the Russian Research Center, emphasizes the nationalist movements in Russia's borderland areas and the methods used by the Bolsheviks during the Civil War to win their support. He draws a parallel between the manipulation of nationalist feeling during the revolution and the means since employed to subjugate neighboring countries. Twenty-four page bibliography, notes, and index.

Studies in the Scope and Method of "The Authoritarian Personality," edited by Richard Christie and Marie Jahoda (*Free Press*: \$4.50). "The Authoritarian Personality," published in 1950, was an empirical study of anti-Semitism, social discrimination, and political ideologies. The present study is an attempt by seven social scientists to analyze that work and to "re-examine dispassionately the assumptions on which the book rests, the methods it uses, and the guides it contains for further research." Includes an elaboration of some ideas in the original volume by one of its authors.

Escape from Paradise, edited by C. A. Smith (*Beacon*: \$3.50). Eight accounts "by seven who escaped and one who did not" of their flights from Russia and the Satellite countries. The collection is intended as a warning to the complacent, and the epilogue by Dr. Smith contains an attack on Britain's "doctrine of containment" as opposed to a more positive policy. Chapter notes present the historical background and reliability testimonies of each story.

Communist Guerilla Warfare, by Brigadier C. Audrey Dixon, and Otto Heilbrunn (*Praeger, Inc.*: \$4.50). A study of the development of Russian guerilla warfare during World War II, based on the methods of the Chinese Communists under Mao Tse-tung. Germany's unsuccessful attempts at counter measures are also discussed and illustrated, and a set of "General Rules" for British and Allied counter-guerilla warfare are evolved.

Soviet National Income and Product in 1928, by Oleg Hoeftling (*Columbia*: \$3.75). Intended as a "companion volume" to similar projects by Bergson and Heymann for 1937 and 1940-48. The study covers a year of comparative equilibrium in the Soviet economy, after its phase of post-war reconstruction, and before the start of the first Five Year Plan. Evaluation of results, tables, and appendices.

The Limits of Foreign Policy, by Charles Burton Marshall (*Holt*: \$3.00). Based on a series of five lectures at Hollins College in 1953, the book discusses the meaning of the term "foreign policy" and why the important concept, particularly in America today, is that of its limits. It is vital to recognize the things that a statement of foreign policy and its pursuit cannot accomplish in order to appraise realistically the position of the United States in today's world. Because of America's faith in law, faith in her ability to accomplish technological miracles and thus "transform through material factors," and extraordinary historical achievements, it is difficult not to feel that "America can do anything" and that a statement of foreign policy is tantamount to its accomplishment. In a thoughtful analysis Mr. Marshall warns against complacency and irritability in our relations with the world.

The Legal Community of Mankind, by Walter Schiffer (*Columbia*: \$5.50). Mr. Schiffer traces the development of those theories of international law which led to establishment of the League of Nations and the United Nations. Beginning with the late middle ages he finds a growth of two concepts—the doctrine of natural law and the idea of progress—which in combination led to the concept of a "universal, positive, legal order" based on mankind's movement toward "a unity established by the community of reasonable interests." As a result of these beliefs both the League and (to a lesser extent) the United Nations "only provided for a machinery through which essentially rational persons could arrive at reasonable agreements concerning their common affairs" and which "presupposed an essential unity of purpose . . . and therefore the absence of political discord." The aim of international or-

ganizations, however, is to prevent political discord. Mr. Schiffer does not attempt to resolve the paradox except to state that "the creation of a world state is a concrete political problem which can be solved only by political action." Notes, bibliography and index.

The Invisible Writing, by Arthur Koestler (*Macmillan*: \$5.00). The final volume of Koestler's autobiography, covering the period between his joining the Communist Party in 1931 and his escape to England in 1940. Calling this volume "the account of a journey from specious clarity to obscure groping," the author explains his rejection of Communism as "the outgrowth of a new faith . . . in my youth I regarded the universe as an open book, printed in the language of physical equations and social determinants, whereas now it appears to me as a text written in invisible ink, of which, in our rare moments of grace, we are able to decipher a small fragment."

The United States in a Changing World, by James P. Warburg (*Putnam*: \$5.75). A study of the relationship between domestic and foreign policy in American history, aimed at evolving a background pattern to help the average citizen in his vital job of "conscious . . . policy formation." Mr. Warburg devotes the last two sections of his book to an analysis of the policies of Franklin D. Roosevelt, whom he feels relied to too great an extent on his own extraordinary abilities rather than on planning a long-range policy, and a sharp criticism of post-war diplomacy. He finds the U. S. today "in a period of transition" and feels the greatest danger to be that "the United States has assumed leadership without, so far, understanding the changed and changing nature of the world it is trying to lead." Index.

The Deliverance of Sister Cecilia, by Sister Cecilia (*Farrar, Straus*: \$3.75). Sister Cecilia is a Czechoslovak nun who was a member of the underground helping escapees to evade the Communists and was finally forced to escape them too. This is the story of her flight as told to William Brinkley. The book is dedicated to "all the brave people of the underground who stake their lives, and some lose them, to help the fleeing."



THE FREE EUROPE COMMITTEE was founded in 1949 by a group of private American citizens who joined together for direct action aimed at the eventual liberation of the peoples of the Iron Curtain countries. With the help of endowments and public contributions to the Crusade for Freedom, the Committee has set up, among other activities, Radio Free Europe. The Committee's efforts are focused on the captive countries of Central and Eastern Europe. In these efforts the Committee counts among its active allies the democratic leaders—scholars, journalists, political and economic experts, and men of letters—who have escaped from the Communist enslavement of their native lands.

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